



**PUBLIC UTILITIES  
REVENUE BOND OVERSIGHT  
COMMITTEE  
CITY AND COUNTY OF SAN FRANCISCO**

**AGENDA**

**Public Utilities Commission Building  
525 Golden Gate Ave., 2<sup>nd</sup> Floor  
Yosemite Conference Room  
San Francisco, CA 94102**

**Listen/Public Call-In Phone Number**

**[\(415\) 906-4659](tel:(415)906-4659)**

**[Conference ID: 323 406 084 #](#)**

**Join on your computer, mobile app or room device**

**[Click here to join the meeting](#)**

**June 6, 2023 - 9:00 AM**

**Regular Meeting**

**Mission:**

The Revenue Bond Oversight Committee (RBOC) monitors the expenditure of revenue bond proceeds related to the repair, replacement, upgrade and expansion of the SFPUC's water, power and sewer infrastructure. The RBOC provides independent oversight to ensure transparency and accountability. The RBOC's goal is to ensure that SFPUC revenue bond proceeds are spent for their intended purposes in accordance with legislative authorization and other applicable laws.

**Remote Access to Information and Participation**

RBOC convenes hybrid meetings that allow in-person attendance, in-person public comment (prioritized before remote public comment), remote access, and remote public comment via teleconference (<https://sfbos.org/remote-meeting-call>). Members of the public may also submit their comments by email to [RBOC@sfgov.org](mailto:RBOC@sfgov.org); all comments received will be made a part of the official record.

**1. Call to Order and Roll Call**

- Seat 1** Ettore Leale, Chair
- Seat 2** Lars Kamp, Vice Chair
- Seat 3** *Vacant*
- Seat 4** Claire Veuthey
- Seat 5** *Vacant*
- Seat 6** Christina Tang
- Seat 7** Reuben Holober

**2. General Public Comment:** Members of the public may address RBOC on matters that are within RBOC jurisdiction and not on this agenda.

**3. RBOC: Audit Update**

*Members of RBOC shall discuss the status of ongoing audits.*

*Continued from the May 9, 2023 regular meeting.*

*Discussion and possible action.*

*Attachment: : Revenue Bond Audit: Phase III Risk Assessment and Bond Selection*

*(Public Comment)*

**4. RBOC: Planning for Future Audits**

*Members of RBOC shall discuss planning for future audits, to evaluate the performance of projects funded by Revenue Bonds.*

*Continued from the May 9, 2023 regular meeting.*

*Discussion and possible action.*

*Attachment: RBOC SFPUC Infrastructure Evaluation RFP Draft 05.24.2023*

*(Public Comment)*

**5. RBOC: Site Visit Report**

*Members of RBOC shall discuss the May 30-31, 2023 site visit to Hetch Hetchy facilities.*

*Discussion.*

*(Public Comment)*

**6. Approval of Minutes from the May 9, 2023 Regular Meeting**

*Discussion and action.*

*Attachment: May 9, 2023 RBOC Regular Meeting Minutes*

*(Public Comment)*

**Announcements, Comments, Questions, and Future Agenda Items**

*Discussion and possible action.*

(Public Comment)

*RBOC will meet on the following dates:*

- *August 1, 2023; and*
- *September 12, 2023.*

*RBOC is tracking the following topics and issues as potential Future Agenda Items:*

- A. *A Request that Sewer System Improvement Program (SSIP) Quarterly reports include information on the Stormwater Management System, and details on the bidding climate and possible cost increases;*
- B. *SFPUC: Water System Improvement Program Update;*
- C. *SFPUC: Power Enterprise and Clean Power SF Update;*
- D. *SFPUC: State Federal Loan Updates;*
- E. *SFPUC: Staff Report: Environmental Justice;*
- F. *RBOC: Acquiring consultant to examine expected performance of complete projects;*
- G. *RBOC: Discussion on the 2015 report, entitled [“Evaluation of Lessons Learned from the WSIP Program,”](#) to identify procedures and reporting processes from the Water System Improvement Program which may be applied to SSIP*
- H. *SFPUC: Discussion of Finding 2 of the [SFPUC Performance Audit of Select Revenue Bond Expenditures dated December 23, 2021](#)*
- I. *Finding 2: “The Quality Assurance Audit Function Was Not Operational From June 2017 Through November 2020”  
(May be scheduled as a follow-up to the May 9, 2023 meeting in Spring 2024)*

**7. Adjournment**

### Agenda Item Information

Each item on the agenda may include: 1) Department or Agency cover letter and/or report; 2) Public correspondence; 3) Other explanatory documents. For more information concerning agendas, minutes, and meeting information, such as these documents, please contact:

RBOC Clerk, City Hall,  
1 Dr. Carlton B. Goodlett Place,  
Room 244, San Francisco, CA 94102  
[rbo@sfgov.org](mailto:rbo@sfgov.org)  
(415) 554-5184.

Audio recordings of the meeting of the Revenue Bond Oversight Committee are available at:

[http://sanfrancisco.granicus.com/ViewPublisher.php?view\\_id=97](http://sanfrancisco.granicus.com/ViewPublisher.php?view_id=97)

### Meeting Procedures

Public Comment will be taken before or during the Committee's consideration of each agenda item. Speakers may address the Committee for up to three minutes on that item. During General Public Comment, members of the public may address the Committee on matters that are within the Committee's jurisdiction and are not on the agenda.

Procedures do not permit: 1) persons in the audience to vocally express support or opposition to statements by Commissioners by other persons testifying; 2) ringing and use of cell phones, pagers, and similar sound-producing electronic devices; 3) bringing in or displaying signs in the meeting room; and 4) standing in the meeting room.

The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic devices.

LANGUAGE INTERPRETERS: Requests must be received at least 48 hours in advance of the meeting to help ensure availability. Contact Wilson Ng (415) 554-5184. AVISO EN ESPAÑOL: La solicitud para un traductor debe recibirse antes de mediodía de el viernes anterior a la reunion. Llame a Wilson Ng o Arthur Khoo (415) 554-5184. PAUNAWA: Ang mga kahilingan ay kailangang matanggap sa loob ng 48 oras bago mag miting upang matiyak na matutugunan ang mga hiling. Mangyaring tumawag kay sa (415) 554-5184.

### Americans with Disabilities Act (ADA)

Revenue Bond Oversight Committee meetings are held at the Public Utilities Commission, 525 Golden Gate Avenue, San Francisco, CA. The hearing rooms at the Public Utilities Commission are specified on the agenda and are wheelchair accessible. To request sign language interpreters, readers, large print agendas or other accommodations, please call (415) 554-5184. Requests made at least 48 hours in advance of the meeting will help to ensure availability.

### **Know Your Rights Under The Sunshine Ordinance**

Government's duty is to serve the public, reaching its decision in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For information on your rights under the Sunshine Ordinance (San Francisco Administrative Code, Chapter 67) or to report a violation of the ordinance, contact by mail Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102; phone at (415) 554-7724; fax at (415) 554-5163; or by email at [sotf@sfgov.org](mailto:sotf@sfgov.org). Citizens may obtain a free copy of the Sunshine Ordinance by printing the San Francisco Administrative Code, Chapter 67, on the Internet at <http://www.sfbos.org/sunshine>.

### **Ethics Requirements**

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign & Governmental Conduct Code, Section 2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 25 Van Ness Avenue, Suite 220, San Francisco, CA 94102; telephone (415) 252-3100; fax (415) 252-3112; website <http://www.sfgov.org/ethics>. Under Campaign and Governmental Conduct Code, Section 1.127, no person or entity with a financial interest in a land use matter pending before the Board of Appeals, Board of Supervisors, Building Inspection Commission, Commission on Community Investment and Infrastructure, Historic Preservation Commission, Planning Commission, Port Commission, or the Treasure Island Development Authority Board of Directors, may make a campaign contribution to a member of the Board of Supervisors, the Mayor, the City Attorney, or a candidate for any of those offices, from the date the land use matter commenced until 12 months after the board or commission has made a final decision, or any appeal to another City agency from that decision has been resolved. For more information about this restriction, visit [www.sfethics.org](http://www.sfethics.org).

### **Lobbyist Registration and Reporting Requirements**

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign & Governmental Conduct Code, Section 2.100, et. seq.] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at: 25 Van Ness Avenue, Suite 220, San Francisco, CA 94102; telephone (415) 581-3100; fax (415) 252-3112; website [www.sfgov.org/ethics](http://www.sfgov.org/ethics).



San Francisco  
**Water**  
**Power**  
**Sewer**

Services of the San Francisco  
Public Utilities Commission

## Revenue Bond Audit: Phase III

June 6, 2023

Risk Assessment & Bond Selection

**HK>A**

*Nano Accountancy Corporation*



San Francisco  
Water  
Power  
Sewer

Services of the San Francisco  
Public Utilities Commission

# Revenue Bond Audit – Audit Objectives

---

## Audit Objectives

GAGAS  
Performance Audit

Generally  
Accepted  
Government  
Auditing  
Standards

To determine whether expenditures from project funds are:

- Allowable under the bond resolutions, laws, and regulations.
- Properly supported.
- Assigned or allocated to the correct project(s) within a bond series; and
- Subjected to appropriate cost control measures.

Respond to RBOC's legislatively mandated responsibilities regarding the status and condition of SFPUC's bond funded capital infrastructure program  
(*Administrative Code Section 5A.31*)



Services of the San Francisco  
Public Utilities Commission

# Risk Assessment Overview

## Risk Assessment

- Non-statistical sampling approach
- Performed data analytics, Identified:
  - Green versus non-green bond series
  - Projects with multiple funding sources
  - Projects with cost overruns (EAC to baseline budget)
  - Bonds that fund multiple projects
  - Bonds with significant expenditures in high-risk projects
  - Bonds used to refund commercial paper
  - Bonds with potential record retention issues
- CSA to review proposed bond selection prior to finalizing

Preliminary Bond Selections for Phase 3 Audit*		
Wastewater	Power	Water
2018 Series B	2021 Series A	2017 Series A
2023 Series A**	2021 Series B	
2023 Series B**		

\* The final bond selections will be confirmed once the audit commences

\*\*Only commercial paper defeasance



*Nano Accountancy Corporation*





# Revenue Bond Audit – Water & Hetchy Water

Water and Hetchy Water	Proceeds at Issuance (\$000)	Audit Phase
2006 Series A	\$ 459,223	Phase 1
2009 Series A	369,073	
2009 Series B	377,778	
2010 Series A	58,748	
2010 Series B	364,757	
2010 Series D	72,243	
2010 Series E	300,446	
2010 Series F	149,728	
2010 Series G	288,252	Phase 1
2011 Series A	525,000	
2011 Series C	33,772	
2012 Series A	530,000	
2012 Series B	15,750	Phase 1
2016 Series C	256,822	
<b>2017 Series A</b>	<b>125,765</b>	<b>Phase 3</b>
2017 Series B	150,000	
2020 Series A	180,000	
2020 Series B	69,644	
2020 Series C	94,988	
2011 Series B	27,710	
2017 Series C	75,265	
2020 Series D	49,770	
Debt Service Reserve Release	99,709	*
<b>TOTAL</b>	<b>\$ 4,674,443</b>	

Wastewater	Proceeds at Issuance (\$000)	Audit Phase
2010 Series A	\$50,000	
2010 Series B	165,929	Phase 1
2013 Series B	337,610	Phase 1
2016 Series A (Green)	258,563	Phase 1
2016 Series B	72,891	
2018 Series A (Green)	241,013	Phase 2
2018 Series B (Non-SSIP)	201,047	Phase 2
2018 Series C (Green)	170,720	Phase 2
2021 Series A (Green)**	296,000	Phase 2
2021 Series B**	44,000	
<b>2023 Series A</b>	<b>400,920</b>	<b>Phase 3</b>
<b>2023 Series B</b>	<b>157,000</b>	<b>Phase 3</b>
<b>TOTAL</b>	<b>\$1,837,773</b>	

Power	Proceeds at Issuance (\$000)	Audit Phase
2008 CREB	\$ 5,885	
2011 QECB	8,217	
2012 NCREB	3,711	
2015 NCREB	2,933	
2015 Series A	30,200	Phase 2
2015 Series B	7,100	
<b>2021 Series A</b>	<b>82,710</b>	<b>Phase 3</b>
<b>2021 Series B</b>	<b>55,005</b>	<b>Phase 3</b>
<b>TOTAL</b>	<b>\$ 195,761</b>	

\* Debt Service Reserve Release

\*\* Proceeds per the Official Statement. 2021 Series issued November 2021. Proceeds used for commercial paper defeasances; thus, substantially all amounts were expended prior to June 30, 2021.



San Francisco  
**Water**  
**Power**  
**Sewer**

Services of the San Francisco  
Public Utilities Commission

## Revenue Bond Audit: Phase III

---

### Questions

June 6, 2023



*Nano Accountancy Corporation*

**From:** [Christina Tang](#)  
**To:** [Woo, Winnie \(CON\)](#); [Carroll, John \(BOS\)](#)  
**Cc:** [Djohns, Massanda \(CON\)](#); [Wang, Hunter \(CON\)](#)  
**Subject:** FW: Draft RFP for Evaluation of SFPUC Infrastructure  
**Date:** Wednesday, May 24, 2023 3:26:17 PM  
**Attachments:** [RBOC SFPUC Infrastructure Evaluation RFP Draft 05.24.2023.docx](#)

---

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

Thank you Winnie! I look forward to our discussions on June 6.

John: Please share the attached draft RFP with the other RBOC members. As planned, the CSA will collect feedback from the RBOC as a discussion item during the June 6<sup>th</sup> RBOC meeting. Ms. Winnie Woo will lead the discussion. Thanks!

Christina

---

**From:** Woo, Winnie (CON) <winnie.woo@sfgov.org>  
**Sent:** Wednesday, May 24, 2023 2:41 PM  
**To:** Christina Tang <CTang@bawsca.org>  
**Cc:** Djohns, Massanda (CON) <massanda.djohns@sfgov.org>; Wang, Hunter (CON) <hunter.wang@sfgov.org>  
**Subject:** Draft RFP for Evaluation of SFPUC Infrastructure

Hi Christina,

I hope your week is going well! Attached for your review and comment is the initial draft RFP for the Evaluation of SFPUC Infrastructure. I incorporated RBOC's objectives for the project and tried to provide clarity with some subobjectives. We welcome any feedback and can address questions before the June 13 meeting or during the meeting.

Please share the draft with the RBOC members. I don't have all the member emails, so may I defer to you on how best to distribute this draft with the rest of the RBOC members.

Thank you and please let me know if you have any questions.  
Winnie

---

**Winnie Woo**

City Services Auditor  
Office of the Controller  
City and County of San Francisco  
(415) 554-7652 | [winnie.woo@sfgov.org](mailto:winnie.woo@sfgov.org)

## DRAFT SCOPE OF WORK

**REQUEST FOR PROPOSAL (“RFP”) FOR  
Evaluation of San Francisco Public Utilities Commission Infrastructure Projects  
Funded by Revenue Bonds  
CONJRF 2023-xx**

### I. Introduction and Solicitation Schedule

#### A. Introduction 1. General

The City and County of San Francisco’s Office of the Controller (hereinafter, “CON” or “City”), City Services Auditor (CSA), is issuing this Request for Proposal (hereinafter “RFP” or “Solicitation”) in conjunction with the San Francisco Public Utilities Revenue Bond Oversight Committee (RBOC). The City seeks qualified firms (“Proposers”) with recognized experience in capital projects—specifically, projects in the water, wastewater, or power industries—to provide proposals (“Proposals”) for professional consulting services to assess San Francisco Public Utilities Commission (SFPUC) infrastructure projects funded by revenue bonds. The objectives of the engagement, which will consist of one or more assessments, are to determine whether:

- SFPUC infrastructure performs in accordance with established and applicable design, criteria, and/or legal requirements.
- SFPUC adequately maintains SFPUC infrastructure by performing appropriate inspections or assessments in accordance with a maintenance plan.

#### Background of the SFPUC, RBOC, and Revenue Bonds

SFPUC is responsible for the operation, maintenance, and development of three utility enterprises: 1) Water, 2) Wastewater, and 3) Hetch Hetchy Water and Power and CleanPowerSF (Hetch Hetchy). SFPUC provides wholesale and retail drinking water to the San Francisco Bay Area, wastewater collection and treatment within San Francisco and three neighboring municipalities, and power to residential and commercial customers and municipal facilities.

The **Water** Enterprise operates the Hetch Hetchy Regional Water Systems, a wholesale and retail drinking water supply system that serves 2.7 million customers in four counties. The **Wastewater** Enterprise is responsible for the operation and maintenance of San Francisco’s combined sewer system, which collects, treats, and discharges (once treated), sanitary sewage and stormwater runoff. SFPUC’s combined sewer system is unique to coastal California and offers significant environmental benefits because it captures and treats both stormwater (rain runoff) and sanitary sewerage from homes and businesses. These combined flows are referred to as wastewater. The **Hetch Hetchy Enterprise** comprises three key components: (1) Hetch Hetchy Water, which operates and maintains the upcountry water and power facilities; (2) Hetch Hetchy Power, which is responsible for all power utility wholesale and retail transactions and in-City power operations; and (3) CleanPowerSF, a Community Choice Aggregation, which provides San Francisco residents and businesses with electricity supply services sourced from new and existing clean energy sources.

Keeping enterprise infrastructure in good repair requires ongoing maintenance and capital improvements, which represent much of SFPUC’s ongoing expenditures. Balancing the mix of funding sources needed to pay for these improvements is a prudent way to protect both ratepayer affordability and the high credit ratings of the enterprises. SFPUC has about 2,300 employees working in seven California counties, with a combined annual operating budget of over \$1 billion. A five-member commission (Commission) governs SFPUC and provides operational oversight in areas such as rates and charges for services, contract approval, and organizational policy.

The San Francisco Charter, Section 8B.124, empowers the Commission to issue water, clean water, and power revenue bonds when authorized to do so by ordinance(s) approved the City’s Board of

## DRAFT SCOPE OF WORK

Supervisors. Such bonds are issued to enable SFPUC to reconstruct, replace, expand, repair, or improve water facilities, clean water facilities, power facilities, or combinations of these facilities under its jurisdiction. In fiscal year 2022-23 SFPUC has **over xx outstanding revenue bond** series in its three service enterprises, totaling \$xx.

Given the City's significant investment in these revenue bonds, RBOC was formed in November 2003—created pursuant to Proposition P, which was approved in November 2002—to provide oversight to ensure that proceeds from revenue bonds for capital improvements authorized by the Board of Supervisors and/or San Francisco voters after November 2002 are expended in accordance with the authorizing bond resolution and applicable law. The law that codifies Proposition P requires RBOC to report publicly to the Mayor, Commission, and Board of Supervisors on SFPUC's expenditure of revenue bond proceeds for the repair, replacement, upgrade, and expansion of the City's water collection, power generation, water distribution, and wastewater treatment facilities.

### 2. Selection Overview

The City shall award a Notice of Intent to Award a Contract to Proposer that meets the Minimum Qualifications of this Solicitation and whose Written Proposal, Cost Proposal, and Oral Interview combined points receives the highest-ranking score following the conclusion of the Evaluation period. (Section VI., Evaluation Criteria, outlines the evaluation process.) Responsive Proposals will be evaluated by a panel ("Evaluation Panel") consisting of one or more parties with expertise related to the services being procured through this Solicitation. The Evaluation Panel may include staff from various City departments. Proposals will be evaluated based on the criteria outlined herein. If applicable, a Contract Monitoring Division (CMD) Contract Compliance Officer will assess Proposal compliance with Local Business Enterprise (LBE) requirements and assign a rating bonus to Proposal scores. The CMD-adjusted scores (if applicable) will then be tabulated, and Proposers will be ranked starting with Proposer receiving the highest score, then continuing with Proposer receiving the second highest score, and so on.

#### B. Anticipated Contract Term

A contract awarded pursuant to this Solicitation is anticipated to have an original term of **two** years. The City at its sole, absolute discretion, shall have option(s) to extend the term for up to one additional year, for a total term of three years, to cover any subsequent optional phases. The actual contract term may vary, depending upon service and engagement needs at the City's sole, absolute discretion.

#### C. Anticipated Contract Not-to-Exceed Amount

The anticipated contract budget is \$150,000 to \$200,000 for the Services Requested and up to \$50,000 for as-needed services, for a total not-to-exceed (NTE) contract amount of \$250,000. Therefore, **Proposals that exceed \$250,000 for Services Requested in Attachment 5 will not pass Minimum Qualification 9 and will not be evaluated.** This amount is based on City's estimated spend over the advertised initial contract term. Should City's actual spend exceed its estimated spend for the initial term, City may in its sole discretion increase the contract NTE amount for the initial term. Should City exercise its options to extend the contract beyond the initial term, City may also elect to increase the NTE proportionally. Actual contract NTE may vary, depending on service and engagement needs at the City's sole, absolute discretion.

Commented [WW(1)]: RBOC- Is this amount feasible?

#### D. Reserved. (Indefinite Quantity, As-Needed Contract)

#### E. Cooperative Agreement

Any other City department, board, commission, public entity or nonprofit organization made up of multiple public entities may use the results of this Solicitation to obtain some or all of the services to be

## DRAFT SCOPE OF WORK

provided by Proposer under the same terms and conditions of any contract awarded pursuant to this Solicitation.

### F. Solicitation Schedule

The anticipated schedule for this Solicitation is set forth below. These dates are tentative and subject to change. It is Proposer's responsibility to check for any Addenda to this Solicitation or other published pertinent information.

Proposal Phase	Tentative Date
Request for Proposals Issued	TBD
Contract Monitoring Division (CMD) Technical Assistance Period: Email: Melinda Kanios at <a href="mailto:Melinda.Kanios@sfgov.org">Melinda.Kanios@sfgov.org</a> Tel. (415) 274-0511	TBD
Deadline for RFP Questions via email to <a href="mailto:CentralContracts@sfgov.org">CentralContracts@sfgov.org</a>	TBD
CMD Pre-Proposal Conference <b>Strongly Recommended</b> - Q&A limited to CMD requirements, vendor compliance, RFP process - Q&A is not for Scope of Work or engagement questions (which must be emailed by Deadline for RFP Questions).  Microsoft Teams meeting	TBD
Answers to RFP Questions Available at SF City Partner Portal	TBD
Deadline for Courtesy Email for Intent to Respond via email to <a href="mailto:CentralContracts@sfgov.org">CentralContracts@sfgov.org</a> .	TBD
<b>Deadline for RFP Proposals</b>	TBD
<b>Short-Listing Notification for Oral Interviews for up to Top 3 Proposers</b>	TBD
<b>Oral Interviews for up to Top 3 Proposers</b>	TBD
Notice of Intent to Award	TBD
Period for Protesting Notice of Intent to Award	Within three (3) business days of the City's issuance of a Notice of Intent to Award

Commented [WW(2)]: RBOC - Do you want Oral Interview as part of solicitation?

### G. Contract Terms and Negotiations

Successful Proposer will be required to enter into a contract substantially in the form attached hereto as Attachment 1, City's Contract Terms. **If Proposer cannot accept City's Contract Terms substantially in the form presented, Proposer shall include a revised copy of City's Contract Terms with its Proposal, using the Track Changes feature in Microsoft Word.** The revised copy of City's Contract Terms must clearly:

- 1) Mark those sections to which it objects;
- 2) Set forth Proposer's alternative terms with respect to each such section; and
- 3) Explain the basis for each proposed change.

## DRAFT SCOPE OF WORK

If a satisfactory contract cannot be negotiated in a reasonable time, the City, in its sole discretion, may terminate negotiations. Upon termination of negotiations, City may begin negotiation with Proposer that meets the Minimum Qualifications of this Solicitation and whose Written Proposal, Cost Proposal and Oral Interview combined points receives the next highest-ranking score following the Evaluation period.

### II. SERVICES REQUESTED

#### A. Services Requested

This Solicitation is issued by the Controller's Office, which seeks qualified Proposers with recognized experience in capital projects—specifically, projects related to the water, wastewater, or power industries—to provide proposals for professional consulting services to evaluate SFPUC's water, wastewater, and power infrastructure funded by revenue bond proceeds. The objectives and sub-objectives of the evaluation are as follows.

- **Does SFPUC infrastructure perform in accordance with established and applicable design, criteria, and/or legal requirements?** Sub-objectives may include:
  - Are the performance criteria established for the infrastructure appropriate considering the infrastructure's magnitude and complexity?
  - What is the expected performance level of the infrastructure, how is this measured, and how should it be measured? Is the expected performance level appropriate?
  - What is the infrastructure's intended lifespan, how is this measured, and how should it be measured? Is the intended lifespan appropriate?
  - How does the performance of SFPUC's infrastructure compare to the performance of comparable infrastructure of other jurisdictions?
- **Does SFPUC adequately maintain its infrastructure by inspecting or assessing it in accordance with a maintenance plan?** Sub-objective may include:
  - Does SFPUC have adequate, written maintenance plans for its infrastructure? If available, is the maintenance plan appropriate and sufficient considering the infrastructure's magnitude and complexity? Does the maintenance plan comply with any applicable requirements, industry standards, or best practices?
  - Does SFPUC adequately monitor maintenance of its infrastructure? Is infrastructure maintenance performed in accordance with the plan, applicable requirements, and industry standards? Does SFPUC take the appropriate action when maintenance deficiencies are identified?

#### Project Description and Deliverables

##### Task 1: Planning Phase

To initiate the planning process, the Contractor shall:

- Schedule and conduct an entrance meeting with RBOC and CSA to discuss the engagement scope.
- Obtain background documents and other relevant information from SFPUC to more fully understand SFPUC's infrastructure and revenue bond programs.
- Conduct a preliminary survey and walkthrough with SFPUC staff that results in an initial assessment of SFPUC infrastructure. Contractor will identify the criteria it will use to measure SFPUC's performance and share them with CSA and RBOC.
- Submit to SFPUC, RBOC, and CSA a one-page statement of scope and objectives for the engagement.
- Develop and submit to RBOC and CSA an engagement work plan, including detailed methodology, it will use to assess the performance of SFPUC infrastructure. Incorporate any applicable suggestions made.
- Regularly communicate with CSA on engagement status throughout.

## DRAFT SCOPE OF WORK

Task 1 deliverables may include, but are not limited to, the following:

- a. Entrance conference agenda and meeting notes
- b. Information request to SFPUC
- c. Statement of Scope and Objectives for the engagement
- d. Engagement work plan, including detailed methodology
- e. Written reports on engagement status, including oral presentation to CSA and RBOC. These will include, but may not be limited to, a report on the results of the engagement's planning phase and bi-weekly updates.

### Task 2: Performance Test Phase

Contractor shall submit a detailed engagement work plan to RBOC and CSA for approval. Once the plan is approved, Contractor shall gather and analyze data and information based on the procedures detailed in the work plan to address objectives identified in the engagement's planning phase. This work should be based on supporting evidence that Contractor will use to formulate findings, conclusions, and recommendations.

Task 2 deliverables may include, but are not limited to, the following:

- a. Finalized engagement work plan;
- b. Outline of preliminary findings; and
- c. Written report summarizing findings at the end of assessment, including oral presentation to City staff and RBOC.

### Task 3: Draft Report

Based on the collected information and analyses performed, Contractor shall develop a comprehensive draft report, which will answer each engagement objective, including:

- Does SFPUC infrastructure perform in accordance with established design, criteria, guideline, plan, and/or any applicable legal requirements? Contractor shall describe the scope and methodology it used and explain in detail its approach to assessing the infrastructure's performance.
- Does SFPUC have adequate performance metrics for its infrastructure? These may include, but are not limited to, expected performance level and intended lifespan.
- Does SFPUC *have* and *follow* adequate processes to monitor infrastructure maintenance?
- Does SFPUC *have* and *follow* adequate infrastructure maintenance plans? If maintenance plans exist, are they appropriate and sufficient considering the magnitude and complexity of the infrastructure? Do the plans comply with any applicable requirements, industry standards, or best practices?

Contractor shall provide a draft report to CSA for review and approval. As part of the reporting and quality control review process, Contractor shall schedule and conduct an exit meeting with SFPUC and CSA.

Task 3 deliverables may include, but are not limited to, the following:

- a. Draft report
- b. Exit meetings with SFPUC and RBOC to present assessment findings.

### Task 4: Final Report

Contractor shall provide a final report to answer the RFP's objectives, which will include all agreed-upon revisions specified by CSA or RBOC, who will issue the report. Contractor shall prepare final deliverables and work papers in accordance with the contract.

Contractor shall participate in a presentation of results to RBOC, if requested, and possibly one or more presentations to the Board of Supervisors or a committee thereof.



## DRAFT SCOPE OF WORK

Task 4 deliverables may include, but are not limited to, the following:

- a. Final report
- b. Final supporting documents (work papers)
- c. Presentation of findings and recommendations to SFPUC and/or RBOC, if requested, and possibly one or more presentations to the Board of Supervisors.

### Schedule of Deliverables

Task	Deliverables include but not limited:	Target Completion Date
1: Planning Phase	<ol style="list-style-type: none"> <li>a. Entrance conference agenda and meeting notes</li> <li>b. Statement of Scope and Objectives</li> <li>c. Assessment methodology/work plan</li> <li>d. Written report on engagement status, including oral presentation to CSA and RBOC, reporting on the results of the planning phase.</li> </ol>	TBD
2: Performance Test Phase	<ol style="list-style-type: none"> <li>a. Finalized engagement work plan</li> <li>b. Outline of preliminary findings</li> <li>c. Written report summarizing findings at the end of assessment, including oral presentation to City staff and RBOC.</li> </ol>	TBD
3: Draft Report	<ol style="list-style-type: none"> <li>a. Draft report</li> <li>b. Exit meetings with PUC and RBOC to present assessment findings.</li> </ol>	TBD
4: Final Report	<ol style="list-style-type: none"> <li>a. Final report</li> <li>b. Final supporting documents/work papers</li> <li>c. Presentation of findings and recommendations to SFPUC and/or RBOC, if requested, and possibly one or more presentations to the Board of Supervisors.</li> </ol>	TBD

### III. EVALUATION CRITERIA

Evaluation Phase	Maximum Points
Minimum Qualifications Documentation	Pass/Fail
Written Proposal (Attachment 4)	95 Points
Cost Proposal (Attachment 5)	5 Points
Oral Interviews for up to Top 3 Proposers	100 Points
<b>TOTAL</b>	<b>200 Points</b>

Commented [WW(3)]: RBOC- Do you want Oral interview?

If after the Evaluation Phase out of 200 Points there is a tied score for the top ranked Proposers, then there will be a Tie-Breaker Oral Interview Evaluation out of 30 Points. The highest ranked Proposer out of 230 points will determine the top scoring Proposer. The City shall issue a Notice of Intent to Award a Contract to Proposer that meets Minimum Qualifications of this Solicitation and whose combined points out of 230 receive the highest-ranking score.

Evaluation Phase	Maximum Points
Minimum Qualifications Documentation	Pass/Fail
Written Proposal (Attachment 4)	95 Points
Cost Proposal (Attachment 5)	5 Points

## DRAFT SCOPE OF WORK

Oral Interviews for up to Top 3 Proposers	100 Points
Tie-Breaker Oral Interview Evaluation (if needed)	30 Points
<b>TOTAL</b>	<b>230 Points</b>

### IV. MINIMUM QUALIFICATIONS DOCUMENTATION REQUIRED WITH PROPOSAL (PASS/FAIL)

By the Deadline for RFP Proposals, Proposers must provide documentation that clearly demonstrates each Minimum Qualification (MQ) listed below has been met. Minimum Qualification documentation should be clearly marked as “MQ1,” “MQ2,” etc. to indicate which MQ it supports. Each Proposal will be reviewed for initial determination on whether Proposer meets the MQs referenced in this section. **This screening is a pass or fail determination and a Proposal that fails to meet the Minimum Qualifications will not be eligible for further consideration in the evaluation process.** The City reserves the right to request clarifications from Proposers before rejecting a Proposal for failure to meet the Minimum Qualifications.

MQ #	Description
MQ 1	Completed Attachment 1, City’s Contract Terms and Proposed Changes (if any).
MQ 2	Completed Attachment 2, CMD LBE Forms. If CMD Forms are not completed correctly and submitted by Deadline for RFP Proposals, then Proposals may be deemed unresponsive and not evaluated. For questions on CMD Forms, immediately contact: Melinda Kanios at Melinda.Kanios@sfgov.org.
MQ 3	Completed Attachment 3, Proposer Questionnaire and References.
MQ 4	In Attachment 3, Proposer has provided three professional references.
MQ 5	Completed Attachment 4, Written Proposal Template.
MQ 6	In Attachment 4, Proposer has certified that firm has three years of experience in capital projects, specifically water, wastewater, and power.
MQ 7	In Attachment 4, Proposer has submitted two similar Prior Project Descriptions (that Proposer has been engaged in or completed) for professional consulting services for capital projects in a public sector setting similar in size and complexity to the City.
MQ 8	Completed Attachment 5, Cost Proposal Template.
MQ 9	In Attachment 5, Proposer’s Total Not-To-Exceed Budget for Services Requested must not exceed \$250,000.
MQ 10	Completed Attachment 8, City’s Non-Disclosure Agreement and Proposed Changes (if any).

### V. WRITTEN PROPOSAL (95 POINTS)

In addition to submitting documents supporting each Minimum Qualification as required by this Solicitation, Proposers shall also submit a complete Proposal consisting of each item set forth in **Attachment 4, Written Proposal Template**. The content of all Proposals must consist of the information specified below, in the order outlined below, to be deemed responsive.

#### A. Proposer Firm Qualifications (25 points)

- a. Appropriateness of Proposer’s firm history and structure, number of years in business, including total staff size and composition, organizational structure, ownership structure, and commitment to diversity and inclusion practices to services under this RFP. (5 Points)
- b. Proposer’s firm experience providing services (professional consulting services on capital projects, specifically water, wastewater, and power) comparable to those requested to large, complex public sector clients. (5 Points)

## **DRAFT SCOPE OF WORK**

- c. Relevance of Proposer's 2 Prior Project Descriptions to services under this RFP. (10 Points)
  - 1. Prior Projects: Proposer must describe 2 Prior Projects previously managed by Proposer or, if applicable, JV Partners within the last 10 years.
  - 2. Similar Size and Scope: Each project must be of the type and scope of services specified in this Solicitation.
  - 3. Project Details. The descriptions shall include each item listed below.
    - a) Project name;
    - b) Dates when project was performed;
    - c) Project costs;
    - d) Client name, Client Contact Name and Title, and Client Contact information;
    - e) Project scope summary;
    - f) Proposer's role and responsibilities in project;
    - g) Proposer's performance on delivering project on schedule and on budget, outcomes; and
    - h) Staff who worked on project.
- d. Proposer's general capacity and local resources to provide the services under this RFP. Please provide what you consider to be your firm's specialties, strengths, and limitations. (5 Points)

### **B. Engagement Approach (60 Points)**

- a. Work plan/approach demonstrates understanding of the engagement and the tasks to be performed. (35 Points)
- b. Demonstrates ability to complete the engagement in a timely manner. (5 Points)
- c. Has appropriate expectations and/or assumptions of client involvement or level of effort, including review, approval, and other communication protocols necessary to successfully complete the services; has knowledgeable questions and data or other City resource requests to successfully complete the services. (10 Points)
- d. Has developed sufficient expertise or methodology to create competitive differences that will be beneficial to the City. (10 Points)

### **C. Engagement Team (10 Points)**

- a. Key/Lead Team Members: Provide the role, responsibilities, qualifications, and company affiliation of Key/Lead Team Members who will perform the services outlined in this Solicitation. Discuss each team member's background and experience to demonstrate a strong ability to successfully perform the work. (5 Points)
- b. Other Team Members: Provide the role, responsibilities, qualifications, and company affiliation of Other Team Members who will perform the services outlined in this Solicitation. Discuss each team member's background and experience to demonstrate a strong ability to successfully perform the work. (5 Points)

## **VI. COST PROPOSAL (5 Points)**

### **A. Cost Proposal Format and Allocation of Points**

In addition to submitting documents supporting each Minimum Qualification as required by this Solicitation, Proposers shall also submit a complete Cost Proposal consisting of each item set forth in **Attachment 5, Cost Proposal Template**.

Include a completed Cost Proposal with your Proposal, following all instructions set forth therein. The total points allocated to the Lowest Proposed Cost shall be determined by the following points calculation:

## DRAFT SCOPE OF WORK

(Lowest Total Proposed Cost / Proposer's Total Proposed Cost) x (5 Points Maximum Possible).

For example:

Proposal 1 is \$150,000

Proposal 2 is \$200,000

Proposal 3 is \$250,000

Proposal 1 is scored 5.00 points. \$150,000 divided by \$150,000 = 1 multiplied by 5 points=5.00 points

Proposal 2 is scored 4.00 points. \$150,000 divided by \$200,000 = 0.8 multiplied by 5 points=4.00 points

Proposal 3 is scored 3.33 points. \$150,000 divided by \$250,000 = 0.67 multiplied by 5 points=3.33 points

1. Any Proposer that does not completely fill out the Cost Proposal Template provided in this Solicitation may not receive any points for the Cost Proposal portion of the Proposal evaluation. It is within the sole discretion of the City to reject any Proposal that does not comply with the Cost Proposal Template requirements. Additionally, the data provided in the Cost Proposal Template may be rejected and excluded from the score tabulation if it is found to be inconsistent with any of the information provided in the submitted Proposal.
2. **In Attachment 5, Proposer's Not-To-Exceed Budget for Services Requested must not exceed \$250,000. If Proposer's Not-To-Exceed Budget for Services Requested exceeds \$250,000, then Proposal will not pass Minimum Qualification #9 and will not be evaluated.**
3. The City seeks proposals demonstrating an efficient, effective approach with measurable deliverables and outcomes. The City intends to award a contract to Proposer that will provide the best overall proposal to the City inclusive of qualifications and cost considerations. The City reserves the right to accept a proposal that includes other than the lowest cost and to reject all proposals that are not responsive to this RFP.
4. The City will negotiate costs and work effort with the selected Proposer to develop a firm fixed price for the contract utilizing a blended hourly rate to compensate Proposer for all services, travel, lodging, meals, miscellaneous and any other expenses related to the completion of services. The City will not provide additional and separate cost reimbursement.
5. Note that standard hourly billing rates provided shall apply to any as-needed services the City may request. If Proposer is selected for contract negotiations, then as-needed hourly rates shall be negotiated and shall be locked-in for Years 1-2. If the option to extend the contract for up to 1 year is exercised for Year 3, then as needed.

### B. Cost Proposal Evaluation Period

The City will attempt to evaluate Cost Proposals within 60 days after receipt of Proposals. If City requires additional evaluation time, all Proposers will be notified in writing of the new expected award date.

### C. Cost Discrepancies

Where applicable, if there is a discrepancy between the Cost Proposal and cost entered by Proposer into the Supplier Portal, the Cost Proposal pricing will prevail. In the event of a discrepancy between the unit price and the extended price, the unit price will prevail.

## DRAFT SCOPE OF WORK

### VIII. ORAL INTERVIEWS (100 POINTS)

The Evaluation Panel will hold oral interviews with up to the top three highest ranked Proposers that have met the Minimum Qualifications and whose Written Proposal and Cost Proposal combined points received a score of at least **70 Points**. Prior to Oral interviews, the City will send an email to each invited Proposer regarding the format and general rules of the interview. The City reserves the right to limit participation in the panel interviews to Proposers' key/lead team members and to exclude, for example, sub-consultants on multiple teams. The interview evaluation process may include (and be scored based on) a presentation by the Proposer and/or interview questions from the Evaluation Panel. Those questions may include and be related to Proposers' key/lead team members' qualifications, their work approach, project task descriptions, team organization, and any questions which seek to clarify Proposal components. Proposers may also be scored on follow-up questions if clarification of Proposer's responses is necessary. The same set of interview questions will be used for all Proposers and shall be presented to Proposers **at least three business days before the date of interview** to allow Proposers sufficient time to prepare their responses. The Evaluation Panel may ask follow-up questions if clarification of Proposer's responses is necessary. The Evaluation Panel will proceed to evaluate each Proposer based on each Proposer's presentation and responses.

The 100 points possible awarded for interviews will be separate from the 100 points awarded during the Written Proposal and Cost Proposal (Attachment 4 and 5). The 100 points possible awarded for Interviews will be added to the 100 possible points awarded during the Written Proposal and Cost Proposal for a total of 200 points. The City shall issue a Notice of Intent to Award a Contract to Proposer that meets the Minimum Qualifications of this Solicitation and whose combined points out of 200 receive the highest-ranking score.

Evaluation Phase	Maximum Points
Minimum Qualifications Documentation	Pass/Fail
Written Proposal (Attachment 4)	95 Points
Cost Proposal (Attachment 5)	5 Points
Oral Interviews for up to Top 3 Proposers	100 Points
<b>TOTAL</b>	<b>200 Points</b>

If after the Evaluation Phase out of 200 Points there is a tied score for the top ranked Proposers, then there will be a Tie-Breaker Oral Interview Evaluation out of 30 Points. The highest ranked Proposer out of 230 points will determine the top scoring Proposer. The City shall issue a Notice of Intent to Award a Contract to Proposer that meets Minimum Qualifications of this Solicitation and whose combined points out of 230 receive the highest-ranking score.

Evaluation Phase	Maximum Points
Minimum Qualifications Documentation	Pass/Fail
Written Proposal (Attachment 4)	95 Points
Cost Proposal (Attachment 5)	5 Points
Oral Interviews for up to Top 3 Proposers	100 Points
<i>Tie-Breaker Oral Interview Evaluation (if needed)</i>	<i>30 Points</i>
<b>TOTAL</b>	<b>230 Points</b>



**PUBLIC UTILITIES  
REVENUE BOND OVERSIGHT COMMITTEE  
CITY AND COUNTY OF SAN FRANCISCO  
DRAFT MINUTES**

**Public Utilities Commission Building  
525 Golden Gate Ave., 2<sup>nd</sup> Floor  
Yosemite Conference Room  
San Francisco, CA 94102**

**May 9, 2023 - 9:00 AM**

**Regular Meeting**

**Mission:** The Revenue Bond Oversight Committee (RBOC) monitors the expenditure of revenue bond proceeds related to the repair, replacement, upgrade and expansion of the SFPUC's water, power and sewer infrastructure. The RBOC provides independent oversight to ensure transparency and accountability. The RBOC's goal is to ensure that SFPUC revenue bond proceeds are spent for their intended purposes in accordance with legislative authorization and other applicable laws.

**1. Call to Order, Roll Call, and Agenda Changes**

*Chair Leale called the meeting to order at 9:12 a.m. On the call of the roll, Chair Leale and Members Veuthey, Tang, and Holober were noted present. Vice Chair Kamp was noted absent.*

*There were no agenda changes.*

**2. Public Comment**

*Eileen Boken shared various concerns related to the Oceanside water treatment plant, California Proposition 218, the closure of the Great Highway, the Ocean Beach Master Plan and the Earthquake Safety and Emergency Response Bond Program. David Pilpel shared various concerns about the remote meeting operations.*

### 3. RBOC: Audit Update

*Hunter Wang (City Services Auditor, Office of the Controller) shared updates on the status of the ongoing audit, and responded to questions from the committee. The new audit should be released in time for the June RBOC meeting*

*Public Comment: None.*

**Member Holober, seconded by Member Veuthey, moved to continue the agenda matter to the June 6, 2023, RBOC meeting. The motion PASSED by the following vote:**

**Ayes: 4 - Leale, Veuthey, Tang, Holober**

**Absent: 1 - Kamp**

*Vice Chair Kamp was noted present at 9:23 a.m.*

### 4. RBOC: Planning for Future Audits

*Massandra D'Johns (City Services Auditor, Office of the Controller); provided updates and responded to questions from the committee. Member Tang requested that RBOC members review and provide feedback on the second draft request for proposals (RFP) once it is presented. RBOC may consider the RFP for approval in August of 2023.*

*Public Comment: None.*

**Member Holober, seconded by Member Veuthey, moved to continue the agenda matter to the June 6, 2023, RBOC meeting. The motion PASSED by the following vote:**

**Ayes: 5 - Leale, Kamp Veuthey, Tang, Holober**

### 5. SFPUC: Future Site Visits

*Chair Leale requested that three members of RBOC indicate their commitment to attend the site visit to Hetch Hetchy facilities over May 30 through 31. Members Kamp, Veuthey, and Holober committed to attending the site visit. The site visit will not be conducted as a public meeting due to the fact that a quorum of RBOC will not be present.*

*Public Comment: David Pilpel expressed his continued desire to attend the site visit.*

*There was no action taken.*

**6. SFPUC: Discussion of Finding 2 of the SFPUC Performance Audit of Select Bond Expenditures**

*Eugene Yano (HKA Associates); provided opening remarks on the SFPUC Performance Audit of Select Bond Expenditures. Stephen Robinson, Assistant General Manager (San Francisco Public Utilities Commission); provided a presentation entitled “[Revenue Bond Oversight Committee Quality Assurance Program](#),” addressing progress on Finding 2 since September 2022; and responded to questions from the committee.*

*Public Comment: David Pilpel requested access to the presentation materials from the Assistant General Manager.*

*There was no action taken.*

**7. SFPUC: Update on the Results of the Sale of 2023 Wastewater Revenue Bonds**

*Edward Kwong and Dan Fuchs (San Francisco Public Utilities Commission); provided a presentation entitled “[Results of Recent Negotiated Bond Sale for Wastewater Enterprise](#)” and responded to questions from the committee.*

*Public Comment: David Pilpel thanked SFPUC staff for their work.*

*There was no action taken.*

**8. Approval of April 11, 2023 RBOC Meeting Minutes**

*Clerk Carroll indicated he would make a clerical correction to the April 11, 2023 meeting Minutes.*

*Public Comment: David Pilpel provided suggestions regarding the form of meeting minutes.*

**Member Holober, seconded by Member Tang, moved to approve the April 11, 2023, meeting minutes with clerical changes. The motion PASSED by the following vote:**

**Ayes: 5 - Leale, Kamp, Veuthey, Tang, Holober**



## 9. Announcements, Comments, Questions, and Future Agenda Items

*RBOC will meet on the following dates:*

- *June 6, 2023;*
- *August 1, 2023; and*
- *September 12, 2023*

*Public Comment: David Pilpel requested clarification on the RBOC meeting dates.*

*RBOC is tracking the following topics and issues as potential Future Agenda Items:*

- A. A Request that Sewer System Improvement Program (SSIP) Quarterly reports include information on the Stormwater Management System, and details on the bidding climate and possible cost increases;*
- B. SFPUC: Water System Improvement Program Update;*
- C. SFPUC: Power Enterprise and Clean Power SF Update;*
- D. SFPUC: State Federal Loan Updates;*
- E. SFPUC: Staff Report: Environmental Justice;*
- F. RBOC: Acquiring consultant to examine expected performance of complete projects;*
- G. RBOC: Discussion on the 2015 report, entitled  
“[Evaluation of Lessons Learned from the WSIP Program](#),”  
to identify procedures and reporting processes from the Water System Improvement Program which may be applied to SSIP*
- H. SFPUC: Discussion of Finding 2 of the [SFPUC Performance Audit of Select Revenue Bond Expenditures dated December 23, 2021](#)  
Finding 2: “The Quality Assurance Audit Function Was Not Operational From June 2017 Through November 2020”  
(May be scheduled as a follow-up to the May 9, 2023 meeting in Spring 2024)*

## 10. Adjournment

*There being no further business, the meeting adjourned at 10:27 a.m.*

*N.B. The Minutes of this meeting set forth all actions taken by the Revenue Bond Oversight Committee on the matters stated but not necessarily in the chronological sequence in which the matters were taken up.*

**Approved: Draft**  
**Public Utilities Revenue Bond Oversight Committee**