



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

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

April 23, 2018 - 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 and Roll Call

Members:

Seat 1 Vacant
Seat 2 Kevin Cheng
Seat 3 Robert Leshner, Chair
Seat 4 Tim Cronin
Seat 5 Travis George, Vice Chair
Seat 6 Christina Tang
Seat 7 Jennifer Millman

2. Agenda Changes *(Discussion and possible action)*

3. **Public Comment:** Members of the public may address the Revenue Bond Oversight Committee (RBOC) on matters that are within the RBOC's jurisdiction but are not on today's agenda.

4. **SFPUC Staff Report: Water System Improvement Project (WSIP), Calaveras Dam and Budget increase updates.** *(Discussion and possible action)*

5. **RBOC: Review of RBOC audit topics, previous RBOC Request for Quote, process/procedures for hiring an auditor, and review of the possibility of obtaining a third party contract administrator.** *(Discussion and possible action) (attachment)*

6. **SFPUC Staff Report: Water Bond Sales (December 2017).** *(Discussion and possible action)*

7. **RBOC: Charter Sunset Date Extension and Planning.** *(Discussion and possible action)*

8. **Approval of Minutes:** March 19, 2018, Meeting Minutes. (*Discussion and possible action*) (*attachment*)
9. **Announcements, Comments, Questions, and Future Agenda Items** (*Discussion and possible action*)

May 21, 2018

1. SFPUC Staff Report: Bond capacity for PUC financing structure for capital programs
2. SFPUC Staff Report: Capital Financing Plan Update.
3. SFPUC Staff Report: Re-baselining and Sewer System Improvement Project (SSIP) updates
4. RBOC: Review of CFO Annual Certification. (*Discussion and possible action*)
5. RBOC: Fund Management Policy. (*Discussion and possible action*)
6. SFPUC Staff Report: Improving community outreach and transparency

June 25, 2018

1. To be determined

July 16, 2018

- 1 To be determined

November 26, 2018

1. SFPUC Staff Report: Mountain Tunnel update.

Pending Issues:

1. SFPUC Staff Report: Stormwater Management System Ordinance and Green Infrastructure
2. San Francisco Public Utilities Commission (SFPUC) Staff Report: Clean Power SF financing options
3. SFPUC Staff Report: Nature Resources Accounting Update
4. RBOC: Acquiring consultant to examine expected performance of complete projects.
5. SFPUC Staff Report: Environmental Justice and Clean Power Update

10. **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 – (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

For information concerning San Francisco Public Utilities Commission please contact by e-mail RBOC@sfgov.org or by calling (415) 554-5184.

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 Peggy Nevin at (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 Derek Evans (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.

Disability Access

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翻譯 必須在會議前最少四十八小時提出要求
請電 (415) 554-7719

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions 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 more 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) 554-7854; or by email at soff@sfgov.org.

Citizens may obtain a free copy of the Sunshine Ordinance by printing San Francisco Administrative Code, Chapter 67, at <http://www.sfbos.org/sunshine>.

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.

Revenue Bond Oversight Committee (RBOC) CS-363 Construction Management Services

DATE: January 13, 2014

TO: Prospective Consultants from Prequalified Pool: Project Type 1, Office of the Controller's Construction Contract Audit and Project Consulting Services List as of March 15, 2012.

FROM: SFPUC Contract Administration Bureau at the direction of RBOC

DEADLINE: Submission instructions are at the end of this document. All submissions must be received before 11:00 AM PST on January 31, 2014. All requests for information concerning this RFP must be in writing and directed to the San Francisco Public Utilities Commission at rfp@sfwater.org. ATT: CS-363 (copied to John Ummel, RBOC Vice Chair, JUmmel@bawsca.org)

The Revenue Bond Oversight Committee (RBOC) for the San Francisco Public Utilities Commission (SFPUC) requests the services of a project/program management (PM/CM) consultant ("Proposer" or "Contractor"). To be eligible to submit a proposal, a Prime Proposer or all JV Partners (if a Joint Venture) must be prequalified under Project Type 1 on the Office of the Controller's Construction Contract Audit and Project Consulting Services List as of March 15, 2012. The SFPUC anticipates awarding one (1) Professional Services Agreements for a one-year (1) term with a not-to-exceed amount of \$250,000 (two hundred and fifty thousand), inclusive of all reimbursable costs and all optional tasks.

Please note: Firms that worked on the SFPUC's Water System Improvement Program (WSIP) or Sewer System Improvement Program (SSIP) involving pre-planning, planning, environmental review, final engineering design, construction management, project controls and/or project communications are **NOT** eligible to participate on this project.

I. Introduction: In 2012, the Revenue Bond Oversight Committee conducted an evaluation of various aspects of the Water System Improvement Program (WSIP). This culminated in a final report in May 2013: *Evaluation of WSIP Program*. Subsequent recommendations included an examination of program delivery (soft) costs incurred in WSIP and application of lessons learned to the Sewer System Improvement Program (SSIP). As such, the RBOC recommended a follow-up review dealing with "lessons-learned" in order to better understand key program/project management elements that worked (or did not) under the Water Enterprise's WSIP or could be improved upon with an eye towards application to the Wastewater Enterprise's SSIP.

II. Project Justification: Generally speaking, lessons learned involve sharing knowledge about the elements of a specific project/program that went according to plan, the parts that could be improved upon, and plans to address these issues before moving on to the next phase. However, lessons learned are often done superficially and resisted. Inevitably crucial knowledge gained from a project/program is not always documented or communicated for subsequent use by others in the organization. The sharing of lessons learned knowledge can be particularly

problematic in large organizations comprised of autonomous departments or enterprises. These factors can contribute to increased project costs, extended schedules, poor communication, and considerable and costly mistakes. ⁽¹⁾ The SFPUC has received numerous awards for its \$4.6B WSIP, and reviews/audits, the City's Controller, and an Independent Review Panel has suggested that despite the size and complexity of a program this size, the WSIP is well managed. Given this success, the next step is to determine what lessons learned under WSIP have applicability for SSIP.

III. Description of Services. By examining the SFPUC's lessons-learned *process* and the degree to which key program and project elements under WSIP were successful or unsuccessful, the Contractor will be able to identify whether such lessons-learned have applicability to SSIP. For example, could the lessons learned regarding the program management structure under WSIP be useful to SSIP for purposes of leveraging resources in order to achieve a more efficient approach to project delivery? In order to examine the lessons learned process used by the SFPUC, the Contractor will be required to hold interviews with key staff/consultants of both programs to better understand the program management differences and similarities of the two capital programs. Finally, a cursory examination of the SSIP projects involved will assist the Contractor in identifying which lessons learned on WSIP might be applicable to SSIP.

IV. Objective: The scope of work in this RFP is designed to provide information in three areas: 1) a description of the SFPUC's lessons-learned *process*; 2) an assessment of key program/project management elements RBOC believes are aligned with its stated mission of independent oversight and are critical to the successful implementation of WSIP (or any large capital improvement program, including SSIP); 3) and assessing how these lessons-learned might be incorporated/applied to SSIP. For example, one of the key project/program management elements to be examined involves the change management process. Hence, the Contractor will be reviewing the lessons learned associated with change management on WSIP in order to determine how it can best be applied to SSIP.

V. Scope of Work: In order to meet the objectives as stated above the Contractor shall conduct a review to include (but is not limited to) the following review requirements:

A. Describe and assess the SFPUC's lessons-learned *process* and framework for implementation.

- Does the SFPUC have stated goals and objectives for its lessons-learned process/program? If so, what are they? If applicable, are stated goals and objectives being met?
- When is the lessons learned process implemented? For example, at the end of the project? After each phase? After a serious breach in a milestone or budget?

(1) *“Learning From Lessons Learned: Project Management Research Program”*. American Journal of Economics and Business Administration, Kam Jugden et.al., 2012, Volume 4, Issue 1.

- How and when does the SFPUC go about capturing, documenting, conveying and implementing lessons-learned; either as it applies to the WSIP program or other

capital programs? For example, are lessons learned put in a report, data base, or other repository for future use?

- Identify the personnel and/or positions involved in the lessons-learned process and their respective roles. Assess whether lessons learned are vetted by key decision-makers and at what stage of the process?
- Assess how stakeholders and personnel involved view the SFPUC's lessons-learned process; a "report card", if you will, of how well those involved in the process believe it to be adding value.
- Assess the level of communication among the parties involved. For example, does the organization accept change in procedures and processes by visionary, energetic employees?
- Provide recommendations for improving / institutionalizing the lessons learned process for the SFPUC's capital programs.

B. Provide examples of lessons-learned involving the SFPUC's capital project/program elements. RBOC has initially selected five project/program elements for review. The five elements chosen by RBOC are: **(1) Budgetary and accounting controls including delivery (soft) cost management, (2) Design, (3) Change Management, (4) Risk Assessment/Management, and (5) QC (internal quality control) and QA (external quality assurance).** In addition to these five, the consultant, with concurrence from RBOC, will choose an additional project/program element to examine from the list below.

Additional Project/Program elements include but are not limited to:

1. Organizational/management framework,
2. Financing,
3. System engineering/hydraulics,
4. Bidding and estimating,
5. Environmental review/permitting/mitigation,
6. Scheduling,
7. Forecasting,
8. Public outreach, including client interface/involvement
9. Inter-Intra agency coordination,
10. Project personnel utilized (in-house employees v. contract consultants)
11. Reporting regimens,
12. Delivery methods (e.g., design-build)
13. Construction management including CMIS
14. Use of technology
15. Labor relations,
16. Close out procedures, etc.

With respect to the five project/program elements chosen by RBOC, the following rationale is provided:

- **Budgetary & accounting controls, including delivery (soft) cost management.** Reason: Important for transparency, confidence in the program and validation of program costs assumptions.

- **Design.** Reason: Major portion of SSIP work in the next few years will be in Design phase. How did WSIP handle complete state-of-the-art technologies that have applicability to SSIP? Were procedures followed by City staff / consultant staff working in design, and were they effective? Was the split between City / consultant staff effective? Was standardization of design templates effective and/or necessary? Was the design work accurate and were specifications clear? Did the design teams have technical limitations? How and to what extent design teams are engaged with field and Operations & Maintenance (O&M) staff and how did this affect the overall applicability, cost and quality of design?
- **Change Management.** Reason: Defining scopes clearly and managing change has been one of the most difficult aspects of WSIP during planning, design and construction phases. How does one define a change and who needs to approve the change? Operations requests, community requests, etc. can produce significant scope creep that catches up with the program over time. WSIP developed a good procedure with the Change Management Board during construction, but scope creep during planning and design can be more difficult to manage if the base scope is not clear to all stakeholders. How can the change management procedures be improved to be more effective during the planning and design phases?
- **Risk Assessment/Management.** Reason: WSIP has had a strong formal risk assessment/management program during construction, but, might it prove beneficial to formalize the risk management process earlier in the program during planning and design phases? This goes hand-in-hand with change management control, and can serve as a great communication tool for all stakeholders.
- **QC (internal quality control) and QA (external quality assurance).** Reason: Both internal QC and external QA reviews are extremely important to limit costly mistakes that may not be revealed until construction. Were reviews done properly and thoroughly, what was the most effective timing, what was checked, were procedures followed, were procedures effective, were mistakes caught? What mistakes were missed?

In addition to that stated above, the Contractor's examination of all six project/program elements for lessons learned should address, where applicable, the following:

- Among the selected project/program elements, to what degree were these elements successfully implemented? Provide specific examples - problems or challenges - that exemplify how the SFPUC went about solving them and the lesson learned. For example, did any of the elements interfere with meeting project/program goals and, if so, how did the SFPUC respond/correct it?

- What caused a particular challenge/problem to occur and/or why was the problem undetected? For example, what project/program circumstances were not anticipated? What would you have done differently if you were able to start the project over?
- What could the project team have done better to mitigate either the impact of the risk or the probability of the risk occurring?
- How were lessons-learned used; how was the process modified/changed to avoid future problems or reduce the impact should the problem reoccur? What workarounds were used? Did they work?
- Identify any lessons-learned involving delivery (soft) costs*. Are there opportunities to save significant soft costs? How? What would you recommend?
- It seems soft costs as a percent of the program should be much less under SSIP than the WSIP because projects are all within San Francisco. SSIP has initially chosen to use WSIP's soft cost factor of 43%. What makes up the 43% and is this an appropriate factor to use on SSIP; why or why not? What would you recommend?

**As defined by the SFPUC, delivery costs – often referred to as soft costs or non-construction related costs – include project and program management, planning, engineering, environmental review and permitting, construction management, engineering support during construction, and other City staffing costs such as real estate services, legal services, public outreach, operations support, etc.*

- With respect to claims management, provide some examples that represent applicable lessons learned (good and bad); identify the root cause for these items, and gauge the performance (quantitatively and qualitatively) of the SFPUC's overall process for managing claims. For example, is the SFPUC following up accordingly to recover related costs where appropriate, for example, from the designer, or addressing the issue where associated with in-house design errors? If not, determine why such follow-up is not taking place.

C. Identify the most applicable lessons-learned that have been or should be incorporated into the SFPUC's other capital programs; specifically the Sewer System Improvement Program (SSIP).

- Gain familiarity with the SSIP management / organizational process. Interview key personnel and assigned roles.
- Become familiar with the size and scope of the SSIP.
- Identify similarities and differences between SSIP and WSIP for purposes of understanding where lessons-learned might help and/or might not be applicable.
- Identify and discuss the most applicable lessons-learned from WSIP that might be transferrable to SSIP or have already been considered/incorporated.
- As a result of this lessons-learned review, provide recommendations to RBOC on future follow-up studies or audits specific to the SSIP.

The following WSIP projects (though the selected Contractor is not limited to only these) represent a good cross-section of projects that may have applicability to the SSIP program and, therefore, should be examined:

- **Tesla UV Treatment Facility or Sunol Valley Water Treatment Plant or Harry Tracey Water Treatment Plant** Reason: complex treatment processes, state-of-the-art technologies, control strategies, etc.
- **Calaveras Dam Replacement** Reason: large project with large risks, many of which were known and realized, others unknown and realized, resulting in very large change orders due primarily to differing geologic conditions during construction.
- **Bay Tunnel** Reason: large underground project with large risks that went relatively smoothly and will be within budget and schedule.
- **Crystal Springs / San Andreas Seismic Upgrades** Reason: Limited as-built drawings available for old structures, with large change orders due to differing site conditions and difficult construction techniques.
- **A Local (in-City) Pipeline project such as Lincoln Pipeline or East-West Pipeline** Reason: In City construction applicable to SSIP projects with lots of utility crossings, dust/noise issues, neighbors, traffic, etc.

VI. Proposers Minimum Qualifications and Requirements

A Prime Proposer or all JV Partners (if a Joint Venture) must be prequalified under Project Type 1 on the Office of the Controller's Construction Contract Audit and Project Consulting Services List as of March 15, 2012. **Submissions from non-prequalified firms will be rejected at the initial screening stage and will not be evaluated by the Selection Panel.** The successful RFP submittal shall demonstrate that the consultant/firm has the appropriate professional and technical background as well as access to adequate resources to fulfill the stated scope of services.

Required professional expertise, knowledge and skills include, but are not limited to the following, all in relation with large public infrastructure programs and projects:

- a. All aspects of program, project and construction management.
- b. Schedule and cost control and forecasting, with strong emphasis on construction costs and schedules.
- c. Budgeting, scheduling, cost control and cost estimating.
- d. Knowledge management.
- e. Change management.
- f. Construction contract administration/oversight.
- g. Public utility governance and financing.

Desirable professional experience, knowledge and skills include, but are not limited to the following:

- a. Planning, design and construction of large and complex potable water projects and programs.
- b. Risk assessment/management of infrastructure projects.
- c. Environmental regulations/requirements and their impacts on project delivery.
- d. QA/QC
- e. Feasibility analysis and analysis for construction projects and programs.
- f. Lessons learned processes and procedures
- g. Familiarity with the SFPUC's Water and/or Waste Water capital programs/projects

The Proposers' proposals must include all necessary expertise and personnel required to successfully complete the scope of services.

VII. Deliverables: The Contractor shall provide the SFPUC and RBOC with a complete *preliminary draft* report. The SFPUC, RBOC and interested stakeholders will provide feedback on the Contractor's preliminary draft report for the consultant's consideration. Comments received on the preliminary draft and any subsequent responses made by the Contractor shall be considered for incorporation into a *final draft* report presented to RBOC at a public meeting. The final draft report will be provided both electronically and in hard copy including all key backup information used to substantiate the Contractor's findings/recommendations. Depending on the outcome of this meeting, RBOC may request the Contractor to incorporate certain changes into a *final report, or supplement thereto*. [The Contractor understands and agrees that preparation of the final report (including the consideration and incorporation of comments from the public or the Committee) shall be undertaken within the original budget of the Contractor, and shall not be deemed beyond the original scope of work.] See Schedule below.

VIII. General Information

1. As part of the proposal process, the Proposers should review the most current SFPUC WSIP and SSIP project/program information generally accessible to the public as well as the most recent report by RW Block. This information is posted on the SFPUC website.
2. Each proposals' work plan must describe the method used to evaluate each of the five (5) project/program elements (exclusive of the one element selected by the Proposer) for lessons learned. (Note: It is not necessary for the Proposer to identify the one project/program element of his/her choosing as part of the RFP process. RBOC prefers that the Proposer make his/her selection *after* he/she has delved into the five already chosen and has interviewed key staff and consultants.)
3. Proposers can submit additional follow-up written questions to better understand the breadth and specifics of the defined tasks by 5:00 pm, January 17, 2014. Technical or other substantive questions will **not** be accepted after January 24, 2014. All questions should be sent to rfp@sflower.org.
4. **In order to be considered for the work described herein, a Proposer must submit a proposal to the SFPUC Contract Administration Bureau by 11:00 am on January 31, 2014.** The final Proposer fee will be negotiated to a not-to-exceed amount.

5. In addition to the City Agreement (See Appendix A, P-500), the selected consultant will be required to sign a non-disclosure agreement as well
6. Proposers or firms that have worked on WSIP involving Preplanning, Planning, Environmental Review, Final Engineering Design, Construction Management, Project Controls or Project Communications are **NOT** eligible to participate on this project.
7. The selected Contractor will enter into a contract with RBOC and shall be responsible directly to RBOC. RBOC shall appoint a representative to serve as a point of contact for the Contractor throughout the review.
8. The SFPUC will also provide a contact person that will facilitate the Contractor's access to information, key SFPUC staff, SFPUC consultants, construction contractors and/or other needed contacts.
9. The Contractor shall keep RBOC's representative informed of key requests for information made to the SFPUC and any delays in response.
10. The Contractor will confer with SFPUC staff on establishing a review schedule that accommodates the WSIP and SSIP staff but recognizes the Contractor's timeline for meeting reporting milestones.
11. The Contractor's review and analysis will culminate in a *preliminary draft* and subsequent *final draft* before a *final report* is issued. The preliminary draft will be due approximately 75 days after NTP with the *final draft* due approximately 90 days after NTP. The SFPUC, RBOC, and interested stakeholders will have the opportunity to provide written comments regarding the Contractor's preliminary draft. Comments received on the preliminary draft and any subsequent responses made by the Contractor shall be included in a *final draft* report presented to RBOC at a public meeting.
12. The Contractor will provide one oral progress report to the full RBOC and/or its working group sub-committee at approximately 45 days after NTP or as determined by RBOC and the consultant. This progress report can be delivered via teleconferencing. In addition, the Contractor will provide weekly progress updates (via email) to the RBOC representative. Finally, the Contractor will provide an oral report, in person, to the full RBOC upon submittal of the *final draft*.

IX. Schedule:

RFP Submitted to Controller's Pool of Consultants	January 13, 2014
Deadline for RFP Questions	January 24, 2014, 5 p.m.
Proposals Due	January 31, 2014, 11 a.m.
Proposals Scored/ Selected/Approved by RBOC	February 17, 2014
Notice to Proceed (NTP)	February 24, 2014
Preliminary Draft Completed	May 9, 2014
Final Draft Completed	May 23, 2014
Final Report Completed	June 6, 2014

X. Proposal Contents and Submission Instructions

Proposals are due no later than 11:00 AM on January 31, 2014 and can be delivered to the following location:

San Francisco Public Utilities Commission
Contract Administration Bureau
RE: CS-363 RBOC Evaluation of Lessons Learned
525 Golden Gate, Customer Services, 1st Floor
San Francisco, CA 94102

Proposals may be mailed to the following location:

San Francisco Public Utilities Commission
Contract Administration Bureau
RE: CS-363 RBOC Evaluation of Lessons Learned
525 Golden Gate, Customer Services, 8th Floor
San Francisco, CA 94102

Note: Mailed proposals must arrive by the 11:00 AM deadline on January 31, 2014 or it may be rejected. Faxed or emailed proposals will not be accepted. Postmarks will not be considered evidence of delivery.

The text in the main proposal report, excluding any appendices (e.g., resumes), shall not exceed twenty-five (25) pages. Proposers shall print their proposal double-sided (one double sided page counts as two pages) and use a minimum font of 10 pts. Every page shall be numbered, beginning with the cover letter. The proposer shall submit one original unbound proposal plus one electronic version of the proposal and any supporting documentation on a CD in pdf format.

The proposal shall contain the following:

- A. A cover letter signed by an individual authorized to obligate the Proposer to fulfill the commitments contained in the Proposal. The cover letter must include 1) a statement identifying the Lead Proposer if a JV responding to this RFP; 2) a contact for all communications pertaining to the Proposer's Proposal; 3) a statement of the Proposer's overall ability and qualifications to conduct the work; 4) and a statement that the Proposer, if selected, agrees to sign a non-disclosure agreement.
- B. Proposer Qualifications. Demonstrate that the Prime Proposer (or JV Partner), Non-Leading JV Partner (if applicable), and sub-consultants meet all the qualification requirements outlined in Section VI. Provide sufficient information in the proposal for the Selection Panel to evaluate Proposer's ability to successfully complete the work outlined in the Scope of Services which may include:
 - Description and background summary of firm
 - A description of a minimum of three relevant construction/project management assignments your firm has been involved with/overseen. Each project description shall include a scope summary, Proposer's role and responsibilities, client references, dates when the project was performed, and dollar value of the engagement. Proposers should indicate if the project/assignment was performed on schedule and on budget. Ideally, the CM/PM assignments described should be those involving projects/programs of a similar nature, size and/or complexity as found in the WSIP.

- C. Team Member Organization, Availability, Qualifications, and Resumes. Demonstrate that team members are able to work the amount of time specified by the Proposer and have the background and experience to perform the work. Briefly describe the role, responsibilities, and qualifications of each team member. Attach resumes of *key* team members.
- D. Work Plan. Using the scope of work as outlined in Section V, describe your approach in conducting the review. Explain any unique approaches you believe are relevant and would result in a better work product. Be sure to describe how you would go about examining the five (5) project/program elements studied for lessons learned. Include the names of the team members who will be doing the work and estimated number of person-hours required. Lack of a detailed work plan may render the proposal non-responsive.
- E. Project Schedule. Delineate a timetable for work completion based on the work plan which shall reasonably coincide with the timeline outlined in Section IX.
- F. Fee Proposal. The fee proposal shall show the estimate cost to complete the review. Include estimated hours by each team member involved, respective hourly rates, and all applicable indirect costs/charges.

XI. Evaluation and Selection Criteria. Prior to submitting proposals to a Selection Panel for review, SFPUC staff will review each proposal for initial determinations on responsiveness and responsibility. Proposals found to be responsive and submitted by responsible proposers based on this initial screening will be forwarded to the Selection Panel for evaluation per the evaluation process described below. Proposals found to be non-responsive or that were submitted by Proposers who do not meet minimum qualification requirements referenced in Section VI. will be rejected and will not be considered. Elements reviewed during the initial screening include, without limitation, proposal completeness, compliance with format requirements, verifiable references, and compliance with minimum qualification requirements.

The Selection Panel will be comprised of individuals who are knowledgeable on the subject and may include staff from the SFPUC, RBOC, or other City agencies/organizations.

Each responsive written proposal must obtain a minimum score of 60 points out of 100 (60%) to be considered. The written proposals will be scored using the following point scale:

Work Plan: 35 points

Proposer Qualifications: 25 points

Team Member Organization, Availability, Qualifications, and Resumes: 40 points

The Proposer with the highest total score will be identified as the highest-ranked Proposer eligible to proceed with the award of an Agreement with RBOC.

XII. Reservations of Rights by the City

The issuance of this RFP does not constitute an agreement by the City that any contract will actually be entered into by the City. The City expressly reserves the right at any time to:

1. Waive or correct any defect or informality in any response, proposal, or proposal procedure;

2. Reject any or all proposals;
3. Reissue a Request for Proposals;
4. Prior to submission deadline for proposals, modify all or any portion of the selection procedures, including deadlines for accepting responses, the specifications or requirements for any materials, equipment or services to be provided under this RFP, or the requirements for contents or format of the proposals;
5. Procure any materials, equipment or services specified in this RFP by any other means; or
6. Determine that no project will be pursued.

XIII. Protest Procedures

A. Protest of Non-Responsiveness Determination

After receipt of proposals, the SFPUC, with the assistance of CMD, will initially review all proposals for responsiveness, and will notify all non-responsive Proposers with a Notice of Non-Responsiveness. Within five (5) working days of the SFPUC's issuance of a Notice of Non-Responsiveness, any Proposer that has submitted a proposal and believes that the City has unfairly determined that its proposal is non-responsive may submit a written notice of protest. Such notice of protest must be received by the SFPUC on or before 5 p.m. of the fifth (5th) working day following the SFPUC's issuance of the Notice of Non-Responsiveness. The notice of protest must include a written statement specifying in detail each and every one of the grounds asserted for the protest. The protest must be signed by an individual authorized to represent the Proposer, and must cite the law, rule, local ordinance, procedure or RFP provision on which the protest is based. In addition, the Proposer must specify facts and evidence sufficient for the SFPUC to determine the validity of the protest.

B. Protest of Agreement Award

As soon as the Proposer rankings are finalized, the SFPUC will post final rankings on the Contract Administration Bureau webpage at:
<http://contracts.sfwater.org>.

Within five (5) working days of the SFPUC's posting of the Proposers ranking on the SFPUC Contract Administration Bureau webpage, any Proposer that has submitted a responsive proposal and believes that the City has unfairly selected another Proposer for award may submit a written notice of protest.

The notice of protest must include a written statement specifying in detail each and every one of the grounds asserted for the protest. The protest must be signed by an individual authorized to represent the Proposer, and must cite the law, rule, local ordinance, procedure or RFP provision on which the protest is based. In addition, the Proposer must specify facts and evidence sufficient for the City to determine the validity of the protest. All protests must be received by the SFPUC on or before 5 p.m. of the fifth (5th) working day following the SFPUC's posting of the Proposer's ranking.

C. Delivery of Protests

If a protest is mailed, the protestor bears the risk of non-delivery within the deadlines specified herein. Protests should be transmitted by a means that will objectively establish the date the City received the protest. Protests or notice of protests made orally (e.g., by telephone) will not be considered. Protests must be delivered to:

San Francisco Public Utilities Commission
Contract Administration Bureau
Attn:
RE: CS-363 by [Proposer's Name]
525 Golden Gate Ave, 8th Floor
San Francisco, CA 94102

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

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

March 19, 2018 - 9:00 AM

Regular Meeting

Mission: The purpose of the Revenue Bond Oversight Committee (RBOC) is to monitor 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's goal is to ensure that specific SFPUC revenue bond proceeds are spent appropriately and according to authorization and applicable laws. The RBOC provides oversight to ensure transparency and accountability in connection with expenditure of the proceeds. The public is welcome to attend RBOC meetings and provide input.

1. Call to Order and Roll Call

Members:

Seat 1 Vacant
Seat 2 Kevin Cheng
Seat 3 Robert Leshner, Chair
Seat 4 Tim Cronin
Seat 5 Travis George, Vice Chair
Seat 6 Christina Tang
Seat 7 Jennifer Millman

Chair Leshner called the meeting to order at 9:07 a.m. On the call of the roll, Chair Leshner, Vice Chair George, and Members Cronin, Tang and Millman were noted present. Member Cheng was noted absent. There was a quorum.

2. Agenda Changes

There were no agenda changes.

3. Public Comment: Members of the public may address the Revenue Bond Oversight Committee (RBOC) on matters that are within the RBOC's jurisdiction but are not on today's agenda.

Speakers:

Ms. Sanchez introduced herself as a student assigned to observe a public meeting.

4. RBOC: Review of potential 2018 meeting topics:

- Work with the SFPUC staff to increase transparency and certification of compliance with bond expenditure policies.
- Identify appropriate potential opportunities and initiate an audit, with the guidance of lessons learned from the WSIP that will be the focus of RBOC's review effort in 2018.
- Determine a fund management policy to allocate financial resources efficiently towards oversight responsibilities.
- Monitor completion of the WSIP, including a focus on the Calaveras Dam Replacement Project.
- Review the SFPUC's work, both planned and completed, towards the SSIP.
- Ensure the continuity of oversight through member succession planning and work with the Board of Supervisors to extend the RBOC charter.
- Improve outreach to ensure greater public awareness and input related to the SFPUC's expenditure of revenue bond proceeds.
- Acquire Consultant in support of the RBOC goals.

Chair Leshner provide an overview of the 2018 meeting topics and the Committee discussed scheduling the meeting topics for hearings before the RBOC. Richard Morales, Debt Manager, SFPUC, answered questions and suggested dates for future hearings.

Public Comment:

None.

No actions taken.

5. RBOC: Audit priorities and planning.

- Review of qualifications of consultants
- Project deliveries methods
- Audit delivery methods and type of reports
- Additional development of best practices

Chair Leshner provided an overview on the possibilities of hiring an auditor and possible audit subject matters as follows:

- Project Delivery – How are lesson learned from previous audit being applied to current projects?
- Will SSIP be on time and on budget?
- Will completed project perform up to expectations?
- Are all proceeds being expected pursuant to applicable law?
- Is the SFPUC accounting for all Revenue Bond expenditures?
- Green Infrastructure – How are intangible benefits being accounted for?
- Review and evaluation of project delivery methods and approaches.

Richard Morales, Debt Manager, SFPUC, and Mark Blake, Office of the City Attorney, answered questions and suggested dates for future hearings. The Committee discussed a timeline for hiring auditors and testing the implementation of ‘Lessons Learned’ from the RW Block audit.

The Committee discussed the process of how to hire an auditor and the use of an RBOC subcommittee to develop a request for proposal. It was suggested that third party staffing be obtained to administer the contract. The Committee requested the request for proposal from the RW Block Audit.

RBOC Clerk, Victor Young contacted Alaric Degrafinried, Office of Contract Administration (OCA), to review the possibility of receiving assistance from the OCA.

Public Comment:
None.

No Actions Taken.

6. **RBOC: Review of CFO Annual Certification.**

The Committee reviewed the requirements for the SFPUC Chief Financial Officer’s Annual Certification that funds are being spent in accordance with all requirements and regulations. Richard Morales, Debt Manager, SFPUC, and Mark Blake, Office of the City Attorney, answered questions and provided an overview of the intent of the Annual Certification. The RBOC provided suggestions for future Annual Certifications and what documents should be reviewed prior to issuance. The RBOC suggested that it should be the responsibility of the SFPUC to determine what documents are relevant and require review prior to issuing the Annual Certification. The RBOC suggested that a list of documents to be review should be developed.

Public Comment:
None.

No Actions Taken.

7. **RBOC: Succession and Charter Sunset Planning.**

The Committee reviewed the need for succession planning and the need to request that the Board of Supervisors extend the sunset date of the RBOC until the end of certain projects. The RBOC suggested that outreach and recruitment for RBOC members be conducted on a continual basis. Richard Morales, Debt Manager, SFPUC, and Mark Blake, Office of the City Attorney, answered questions. Mr. Blake stated that the Board of Supervisors generally limits extension of expiration dates to two years.

Public Comment:
None.

No Actions Taken.

8. **RBOC: Fund Management Policy.**

The Committee discussed the RBOC fund management policy and the possibility of returning surplus funding to the city's general fund. Chair Lesner suggested that a management policy needs to be developed before the amount of surplus funds can be calculated. The Committee suggested that projected income and expenses over multiple years be considered in development a fund management policy. The RBOC request an estimate of future Revenue Bond Sales in order to forecast RBOC income over ten years to determine potential surplus funds. Richard Morales, Debt Manager, SFPUC, and Mark Blake, Office of the City Attorney, answered questions.

Public Comment:
None.

No Actions Taken.

9. **Filing Statement of Economic Interest (Form 700), Ethics Declaration and Sunshine Declaration.**

Richard Morales, Debt Manager, SFPUC, provided a reminder to RBOC members that April 2, 2018, is the deadline to submit Form 700s to the Ethics Commission.

Public Comment:
None.

No actions taken.

10. **Approval of Minutes:** February 26, 2018, Meeting Minutes.

Chair Leshner, seconded by Member Tang, moved to approve the February 26, 2018, meeting minutes.

Public Comment:

None.

The motion PASSED by the following vote:

Ayes: 5 – Leshner, Cronin, George, Tang, Millman

Noes: 0 – None

Absent: 1 – Cheng

11. **Announcements, Comments, Questions, and Future Agenda Items**
(*Discussion and possible action*)

April 23, 2018

1. SFPUC Staff Report: Re-baselining and SSIP Phase 2 updates
2. SFPUC Staff Report: Bond capacity for PUC financing structure for capital programs (“What goes into the Water and Sewer bill?”)
3. SFPUC Staff Report: Water Bond Sales (December 2017)
4. SFPUC Staff Report: Effects of change to federal tax policy and result of the loss of municipal advance refunding
5. SFPUC Staff Report: Capital Planning (Presenter: Charles Perl (SFPUC))
6. RBOC extension and evaluation

May 21, 2018

To be determined

Pending Issues:

- Extension of the sunset date for the RBOC
- SFPUC Staff Report: Stormwater Management System Ordinance and Green Infrastructure
- San Francisco Public Utilities Commission (SFPUC) Staff Report: Clean Power SF financing options
- SFPUC Communications Team meeting to discuss community outreach for the RBOC
- SFPUC Staff Report: Certification Document and Review Procedure
- SFPUC Staff Report: Mountain Tunnel Update
- SFPUC Staff Report: Calaveras Dam Update
- SFPUC Staff Report: Green Infrastructure
- SFPUC Staff Report: Nature Resources Accounting Update
- RBOC: Acquiring consultant to examine expected performance of complete projects.
- SFPUC Staff Report: Annual Capital Financing Plan Update
- SFPUC Staff Report: Environmental Justice and Clean Power Update

12. **Adjournment**

There being no further business, the meeting adjourned at 11:06 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 by the RBOC: draft