

DRAFT

Administrative Protocol: MetroTAC and Metro Commission/JPA Oversight of San Diego Capital Improvement Program Streamlining and Transparency

Background: Past practice for approval of City of San Diego capital improvement project contracts has been for Public Utilities Department (PUD) staff to bring all contracts that require San Diego City Council approval to the Metro Commission/JPA for their approval prior to requesting San Diego City Council approval. These contracts were either for capital improvement construction projects or consultant services. The Metro TAC would first review a contract and once approved it would be forwarded to the Metro Commission/JPA for their approval. In 2012, the San Diego City Council (City Council) approved a number of measures to modify the City of San Diego (City) contract delivery systems. These reforms were intended to expedite the process for approval of contracts and increase transparency.

CIP Streamlining Reforms: The major changes from these reforms are that it increases the Mayor of San Diego's (Mayor) authority to award public works contracts and ceases the current practice of taking all capital improvement program (CIP) projects to the City Council for approval. The new policy requires construction projects over \$30 million and consultant contracts over \$1 million to go to the City Council for contract approval. Under the new policy, once a CIP project is approved during the annual budget process and, if it is under the Council approval threshold level, the contract then only needs to be signed by the Mayor to proceed. This streamlined procedure will take months off of the contract award process thus allowing the PUD staff to expedite their CIP process. Attachment 1 to this Protocol is a summary of the contract award thresholds that were adopted by the City Council.

CIP Transparency Reforms: The purpose of the policy adopted by the City Council was to establish the standard requirements for enhancing CIP transparency and improving access to publicly available information related to the CIP. It also established the framework for making the information readily available to the stakeholders by using a combination of presentations to the City Council, stakeholder meetings, and media including the City's Website (<http://www.sandiego.gov/cip/index.shtml>). Other transparency reforms include.

- The new CIP web page will be updated and available at all times for the latest project information.
- CIP performance goals will be provided.
- A multi-year CIP plan will be maintained.
- Proposed CIP to be prepared by April 15th of each year.
- Quarterly CIP updates.
- State of the CIP semi-annual presentations

CIP Approval Process: At the heart of this new policy is the development of a multi-year CIP that provides transparency over future CIP investments. The CIP budget is developed along with the City's operating budget. The CIP budget process considers project priorities and funding availability. The City's CIP budget process is as follows:

October to March: PUD staff prepares the CIP budget with review of Financial Management.

April: The Mayor releases the proposed budget including the CIP to the public on April 15th.

May: The City Council holds a series of public budget hearings. The Mayor's "May Revision" to the proposed budget is then prepared based on updated information.

June: The City Council reviews final modifications and approves the budget. Once the budget is approved the preparation of the adopted CIP budget will be completed.

Metro TAC/Commission/JPA CIP Approval Process: Metro TAC will dedicate each April meeting to reviewing the upcoming year's Metro CIP. PUD staff will prepare a presentation that will include both a summary of the CIP as well as project details for each project on the CIP list. An example of a project detail is included with this Protocol. Each project detail will indicate what the funding source for the project will be (Metro CIP pay-go budget, bond proceeds, grants, etc.).

Once Metro TAC has reviewed and approved the CIP budget it will be presented to the Metro Commission/JPA at their May meeting for the Commission's review approval. Any recommended changes will be submitted by City staff for inclusion in the Mayor's "May Revision".

PUD staff will still present projects to Metro TAC for review and approval prior to getting authorization from the Mayor. Any projects that require City Council authorization will be presented to the Metro Commission/JPA for prior approval.

Attachments:

- CIP Approval Threshold Comparisons
- Sample CIP Project Detail
- San Diego City Council Policy 000-31