

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

0610-00029-0000

Date: April 29, 2005

To: The Mayor
The Council

From: William T Fujioka, City Administrative Officer

WTF

Gerry Miller, Chief Legislative Analyst *mm*Subject: **GOVERNANCE STRUCTURE FOR THE PROPOSITION O ADMINISTRATIVE
OVERSIGHT COMMITTEE****Summary**

In November 2004, the voters of Los Angeles approved Proposition O authorizing the issuance of \$500 million in General Obligation Bonds to finance the construction of facilities to improve water quality. Pursuant to action taken by the Council (CF 04-1034), a five-member Administrative Oversight Committee (AOC) was established consisting of the City Administrative Officer, the Chief Legislative Analyst, the Office of the Mayor, the Board of Public Works and the Department of Water and Power. The Council action also instructed the AOC to develop a governance structure for the program.

At its March 31, 2005 meeting, the AOC adopted a proposed governance structure for the program (see Attachment). The proposed governance structure is modeled after similar documents for the Public Safety Bond Program and the Fire and Animal Shelter Facilities Program. The proposed governance structure document defines the responsibilities of City agencies and of the nine-member Citizens Oversight Advisory Committee (COAC) to ensure that all projects are completed on time and within budget. The COAC has reviewed the proposed governance structure and suggested revisions that have been incorporated within the Attachment.

The Mayor and Council will have final authority over the program budget and master schedule. However, the proposed governance structure delegates authority to the AOC to make adjustments that are consistent with the program budget and master schedule to facilitate administration of the program. Quarterly status reports will be submitted to the Mayor and the Council.

Recommendation

That the Council, subject to the approval of the Mayor, adopt the attached Proposition O Administrative Oversight Committee (AOC) governance structure document.

Fiscal Impact Statement

The costs associated with the construction of facilities to improve water quality will be paid through the issuance of \$500 million in General Obligation Bonds as approved by the voters in November 2004. There will be no cost to the General Fund for construction of the facilities. It is anticipated that the on-going maintenance costs for the facilities will be programmed into the City's annual budget process.

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Attachment

GOVERNANCE STRUCTURE PROPOSITION "O"

CLEAN WATER, OCEAN, RIVER, BEACH, BAY STORMWATER CLEANUP GENERAL OBLIGATION BOND PROGRAM

Voters

- Approved a \$500 Million General Obligation bond to be expended on projects that provide water quality benefits and have as their primary purpose the reduction of pollutant loads to the impaired waters of the City to meet water quality standards.
- Approved four general project categories.

Mayor/Council

- Approve criteria for selection of individual projects, list of projects, general scope of each project and overall program budget and schedule.
- Approve initial program
 1. Program and individual project budgets;
 2. Specific scope of each project; and,
 3. Master Schedule.
- Appoint nine members of the Citizen Oversight Advisory Committee (COAC) with at least five of nine having expertise and experience in clean water issues: Four members are to be appointed by the Mayor (2 expert appointees) and Five by the President of the Council (3 expert appointees) and serve at the will of the appointing authority.
- Appoint a five member Administrative Oversight Committee (AOC) to develop and review project criteria; and oversee and direct the program and the projects in order to comply with approved schedules and budgets.
- Delegate authority to the Administrative Oversight Committee to make the following adjustments and determinations:
 1. Develop a Governance Structure for the program, consistent with the bond ordinance requirements;

2. Designate a Bureau of Sanitation (BOS) representative as the Project Planning Program Manager;
 3. Designate a Bureau of Engineering (BOE) representative as the Project Implementaton Program Manager;
 4. Reduce and increase individual project budgets as needed to complete the projects as long as the overall program budget is not exceeded;
 5. Increase the total program budget from net interest earnings generated from bond proceeds or from grants or donations;
 6. Approve program schedules and schedule modifications; and,
 7. Transfer funds between departments for project costs and staff reimbursements.
- Approve the following adjustments:
 1. Significant scope changes for individual projects requiring overall program budget adjustments;
 2. Additions and deletions to the program based on availability of funds and feasibility; and,
 3. Staffing levels based on identified need and availability of funds.
 - Review and approve the appropriation of funds for City personnel, personal services contracts, expense and equipment related to the Bond Program.
 - Review quarterly status reports from the BOS Project Planning Program Manager.
 - Review quarterly status reports from the BOE Project Implementation Program Manager.

Administrative Oversight Committee (AOC)

- Composed of the City Administrative Officer (Chair), the Chief Legislative Analyst, a representative of the Mayor's Office, a Board of Public Works Commissioner and the General Manager from the Department of Water and Power.
- Conduct the following:
 1. Develop and review criteria for the selection of projects in consultation with the COAC per bond ordinance requirements;
 2. Review project proposals to determine if they meet the adopted project criteria and recommend projects to the Council that meet the criteria;
 3. Work with the COAC in the review and assessment of project proposals;
 4. Authorize the BOS Project Planning Program Manager to transmit to Council for consideration AOC and COAC recommended project proposals;
 5. Oversee, direct and monitor the program and projects to ensure timely completion within approved schedules and budgets; and,
 6. Monitor utilization and cost of City personnel, personal services contracts, expense and equipment for the projects.

- Approve the following:
 1. Bureau of Sanitation Director's selection of the Project Planning Program Manager from the Bureau of Sanitation;
 2. City Engineer's selection of the Project Implementation Program Manager from the Bureau of Engineering;
 3. Memorandums of Understanding (MOUs) between the Bureau of Sanitation, Bureau of Engineering, Department of Water and Power, Department of Recreation and Parks and the Department of General Services;
 4. Project master schedule and schedule changes;
 5. Overall program and individual project budgets;
 6. Property acquisition;
 7. Expenditures of funds;
 8. Reductions and increases in individual project budgets as needed to complete the approved scope of projects, as long as the overall program budget is not exceeded;
 9. Increases in the program and project budgets when net interest earnings from bond proceeds, grants or donations are available to make necessary budget additions to projects; and,
 10. Technical adjustments in staffing, within Mayor and Council approved levels.
- Resolve any issues of concern between the Bureau of Sanitation, Bureau of Engineering, Department of Water and Power, Department of Recreation and Parks, Department of General Services and other City Departments; and the Program Managers for Project Planning and Project Implementation to address program and project needs while avoiding delays and cost increases.
- Assist in expediting cooperation from all participants to help meet project budgets and deadlines.
- Provide quarterly status reports to Mayor and Council prepared by the Project Planning Program Manager and the Project Implementation Program Manager.

Citizen Oversight Advisory Committee (COAC)

- Develop and recommend project criteria to the AOC and Council.
- Review and evaluate project proposals against adopted project criteria and recommend projects to the Council that meet the criteria.
- Work with the AOC in the review and assessment of project proposals.
- Monitor program, projects, budgets and schedules.
- Advise and report to the Mayor and Council on the status of the program, projects, budgets and schedules at least semi-annually.

Department of Public Works

A. Board of Public Works Commissioners

- Represent the Department of Public Works on the AOC.
- Consider the option to conduct a pre-qualification process for design and construction firms.
- Approve Request for Qualifications (RFQ'S) for required personal services contracts (i.e., program/construction management, design, etc.) and execute approved personal services contracts.
- Approve bids for construction, award contracts and accept completed projects.
- Receive monthly status reports for informational purposes by the BOS Project Planning Program Manager and the BOE Project Implementation Program Manager on the progress of project development, project implementation, including property acquisition, design, construction, schedule, and budget issues.

B. Bureau of Sanitation Director

- Select the BOS Project Planning Program Manager, subject to the approval of the Administrative Oversight Committee.
- Approve the Project Planning Program Manager's selection of BOS project managers.
- Develop preliminary scope of work and cost estimates for projects with the assistance of the City Engineer.
- Work with the City Engineer to develop project predesign definition and guidelines subject to the approval of the AOC.
- Enter into project development-level Memorandum of Understanding (MOUs) with the Bureau of Engineering, Department of Water and Power, Department of Recreation and Parks, Department of General Services that describe the scope of project development, schedule and budget to the extent there is a need for the departments to collaborate. The MOUs are to be approved by the AOC after receiving approval by each department.

C. Bureau of Sanitation (BOS) Project Planning Program Manager

- Chosen by the Bureau of Sanitation Director and approved by the AOC.

- Choose BOS project managers, subject to the approval of the Bureau of Sanitation Director.
- Lead in the planning, development and review of project proposals, including preliminary implementation schedules consistent with approved project criteria and water quality benefits as noted in the bond ordinance, Exhibit 1.
- Make project proposal recommendations to the AOC and COAC.
- Transmit to Council for consideration AOC and COAC recommended project proposals upon authorization by the AOC.
- Provide input to other City Departments:
 1. Work with the BOE Project Implementation Program Manager and relevant user departments to ensure that approved projects meet requirements while remaining in budget and on schedule;
 2. Work with the BOE Project Implementation Program Manager to assess the budgetary and schedule impacts of the user department requests for changes and identify alternatives to fulfill user requests while keeping projects on schedule and in budget;
 3. Work with the BOE Project Implementation Program Manager in recommending to the user departments whether or not changes in projects, schedule, scope or budget should be made; and,
 4. Forward issues of disagreement to the AOC for resolution.
- Schedule
 1. Develop project planning schedules subject to AOC approval;
 2. Monitor project planning and development progress; and,
 3. Identify and anticipate problems that are likely to cause schedule delays and provide solutions and recommendations.
- Budget
 1. Develop project planning program and project budgets subject to AOC approval;
 2. Track and monitor expenditures; and,
 3. Identify and anticipate problems that are likely to cause budget overruns and provide solutions and recommendations.
- Supervision
 1. Manage and supervise the BOS project managers;
 2. Perform project planning/development management services; and,
 3. Direct the work of project development consulting firms to augment City staff as needed.
- Report monthly to the Administrative Oversight Committee:
 1. Proposed projects and progress of development;
 2. Schedule issues;

3. Unresolved issues;
 4. Recommend options to keep projects on schedule and within budget; and,
 5. Status of planned versus actual expenditures.
- Provide quarterly status reports to Mayor, Council, the AOC and COAC and various City Boards and Commissions on the status of project planning and development.
 - As lead and in cooperation with BOE, provide a Community Participation Process:
 1. Inform the community regarding all aspects of an approved project, including site/property selection, design and project status;
 2. Conduct community meetings to receive input on site selection and conceptual designs of the project;
 3. Invite the community to Board meetings, and other relevant public meetings, when agenda items pertain to their projects; and,
 4. Plan and hold ground breaking and dedication ceremonies with community groups, leaders and Council offices.

D. City Engineer

- Select the BOE Project Implementation Program Manager, subject to the approval of the AOC.
- Approve the Project Implementation Program Manager's selection of BOE project managers.
- Develop final cost estimates and master schedule for the program, with the assistance of the Bureau of Sanitation Director, once projects have been approved by the Council and Mayor.
- Enter into project implementation level Memorandum of Understanding (MOUs) with the Bureau of Sanitation, Department of Water and Power, Department of Recreation and Parks, Department of General Services that describe the detailed scope of project implementation, schedule and for each approved project, to the extent there is a need for the departments to collaborate. The MOUs are to be approved by the AOC after receiving approval by each department.
- Recommend to the AOC the extent to which a Project and Program Implementation/Construction Management Firm should be engaged to augment City staff by providing scheduling, coordination, monitoring, and budgetary control services for the overall program.
- Approve design specifications and construction documents.

- Maintain fiscal reporting responsibilities for all bond budget allocations and expenditures.

E. Bureau of Engineering (BOE) Project Implementation Program Manager

- Chosen by the City Engineer and approved by the AOC.
- Choose BOE project managers, subject to the approval of the City Engineer.
- Under the direction of the AOC, be the single point of responsibility for keeping approved projects in scope, on time and on budget for land acquisition, design and construction/implementation activities.
- Collect input from User Departments:
 1. Work with the BOS Project Planning Program Manager, Department of Water and Power and Department of Recreation and Parks to ensure that approved project scopes meet user requirements while remaining on budget and on schedule;
 2. Determine the budgetary and schedule impacts of the user department's requests for changes and identify alternatives to fulfill user requests while keeping projects on schedule and on budget;
 3. Recommend to the user departments whether or not changes in projects, schedule, scope or budget should be made; and,
 4. Forward issues of disagreement to the AOC for resolution.
- Schedule
 1. Develop project implementation schedules, in consultation with the BOS Project Planning Program Manager, subject to AOC approval;
 2. Monitor the project implementation progress and update the Master Schedule to compare actual progress against the approved schedule; and,
 3. Identify and anticipate problems that are likely to cause schedule delays and provide solutions and recommendations.
- Budget
 1. Develop project implementation budgets subject to AOC approval;
 2. Track, monitor and report expenditures;
 3. Conduct constructibility reviews and value engineering reviews of design to assure program/project is kept on budget;
 4. Identify deductive alternatives to offset increases in project costs that are uncontrollable or caused by user requests; and,
 5. Review all plans and specifications during and following each design phase, verify cost estimates and review for constructibility.
- Supervision
 1. Manage and supervise the BOE project managers;
 2. Perform construction management services; and,

3. Direct the work of Project and Program Implementation/Construction Management firm(s) to augment City staff as needed.
- Report monthly to the Administrative Oversight Committee on:
 1. Approved projects and progress of implementation;
 2. Schedule issues;
 3. Unresolved issues;
 4. Options to keep projects on schedule and within budget; and,
 5. Status of planned versus actual expenditures.
 - Provide quarterly status reports to the Mayor, Council, the AOC, COAC and various City Boards and Commissions on the status of project implementation/construction.
 - In cooperation with BOS, provide a Community Participation Process:
 1. Inform the community regarding all aspects of an approved project, including site/property selection, design and project status;
 2. Conduct community meetings to receive input on site selection and conceptual designs of the project;
 3. Invite the community to Board meetings, and other relevant public meetings, when agenda items pertain to their projects; and,
 4. Plan and hold ground breaking and dedication ceremonies with community groups, leaders and Council offices.

Department of Water and Power

- Designate a Department of Water and Power, Proposition "O" Coordinator to serve as the single-point of contact and maintain responsibility for coordinating the Department's cooperation and activities as it relates to the program.
- Coordinate with the BOS Project Planning Program Manager on the development of joint venture projects related to water supply and water conservation.
- Coordinate with the BOS Project Planning Program Manager to identify properties that lend themselves to a multi-purpose project orientation.
- Coordinate with BOS Project Planning Program Manager on the development of projects that maximize use of a recycled water program with respect to stormwater BMPs.
- Coordinate with the BOE Project Implementation Program Manager to report on costs and to communicate regularly on the status of the implementation of any projects that fall within their purview or include components within their responsibility.

- Support water supply and power needs for appropriate projects.

Department of Recreation and Parks

- Designate a Department of Recreation and Parks, Proposition "O" Coordinator to serve as the single-point of contact and maintain responsibility for coordinating the Department's cooperation and activities as it relates to the program.
- Coordinate with the BOS Project Planning Program Manager on the development of joint venture projects related to recreation, parks, open space and habitat.
- Coordinate with the BOS Project Planning Program Manager to identify properties that lend themselves to a multi-purpose project orientation.
- Coordinate with the BOE Project Implementation Program Manager to report on costs and to communicate regularly on the status of the implementation of any projects that fall within their purview or include components within their responsibility.
- Support needs related to recreational facilities and parks for appropriate projects.

Department of General Services

- Designate a Department of General Services, Proposition "O" Coordinator to serve as the single-point of contact and maintain responsibility for coordinating the Department's cooperation and activities as it relates to the program.
- Perform land acquisition services as requested by the BOE Project Implementation Program Manager and authorized by the AOC.
- Obtain input from the Bureau of Sanitation or relevant User Departments on site selection.
- Work with the BOE Project Implementation Program Manager to develop a prioritized work program for approved projects.
- Perform construction related activities on project sites as directed by the BOE Project Implementation Program Manager.
- Submit monthly detailed cost reports on each construction project.
- Obtain approval from the BOE Project Implementation Program Manager for any change order work.