

**CITY COUNCIL OF THE CITY OF SAN DIEGO
SUPPLEMENTAL DOCKET NUMBER 1
FOR THE REGULAR MEETING OF
MONDAY, JUNE 14, 2004 AT 2:00 P.M.
CITY ADMINISTRATION BUILDING
COUNCIL CHAMBERS – 12TH FLOOR
202 “C” STREET
SAN DIEGO, CA 92101**

SPECIAL ORDER OF BUSINESS

ITEM-S400: Captain Larry Moratto Day.

COUNCILMEMBERS PETERS’, ZUCCHET’S, AND FRYE’S RECOMMENDATION:

Adopt the following resolution:

(R-2004-1348)

Commending Larry for his continued dedication to serving and protecting the residents of the City of San Diego;

Proclaiming June 14, 2004 to be “Captain Larry Moratto Day” in the City of San Diego.

ADOPTION AGENDA, CONSENT ITEMS

RESOLUTIONS:

- * ITEM-S401: Additional Funding and Award of Contract for the Construction of La Jolla Village Drive – Torrey Pines Road to Villa La Jolla Drive Project.

(La Jolla and University Community Areas. District-1.)

CITY MANAGER’S RECOMMENDATION:

Adopt the following resolution:

(R-2004-1353)

Awarding the contract to FCI Constructors, Inc. (FCI), for the construction of La Jolla Village Drive – Torrey Pines Road to Villa La Jolla Drive, CIP-52-452.0, in the amount of \$5,793,153, contingent upon FCI first providing a performance bond and insurance for the Project, in accordance with the bid specifications;

Authorizing the City Auditor and Comptroller to transfer an amount not to exceed \$700,000 from La Jolla Village Drive/Interstate 805 Interchange, CIP-52-485.0, Fund 79001, Facilities Benefit Assessment Fund to La Jolla Village Drive – Torrey Pines Road to Villa La Jolla Drive, CIP-52-452.0, Fund 79001, Facilities Benefit Assessment Fund;

Authorizing the appropriation and expenditure of \$700,000 for La Jolla Village Drive – Torrey Pines Road to Villa La Jolla Drive, CIP-52-452.0, Fund 79001, Facilities Benefit Assessment Fund, exclusively for the purpose of construction of the above Project;

Authorizing the City Manager to replenish the transferred funds of \$700,000 to CIP-52-485.0, La Jolla Village Drive/Interstate 805 Interchange, Fund 79001, Facilities Benefit Assessment Fund, when the Fiscal Year 2005 North University City Facilities Financing Plan and Fiscal Year 2005 Capital Improvements Program budget are approved.

ADOPTION AGENDA, CONSENT ITEMS (Continued)

RESOLUTIONS: (Continued)

* ITEM-S401: (Continued)

CITY MANAGER SUPPORTING INFORMATION:

The widening of La Jolla Village Drive Project will provide a six (6) traffic-lane prime arterial with sidewalks and bike lanes between North Torrey Pines Road and Gilman Drive and eight (8) traffic-lane prime arterial from Gilman Drive to Villa La Jolla Drive. It also includes a bridge widening and interchange improvements at La Jolla Village Drive/Gilman Drive overcrossing. This project is consistent with both the La Jolla and La Jolla Shores and University City Community Plans, and will improve capacity and safety in the area.

On January 26, 2004, the City Council approved the plans and specifications (R-298806), for the La Jolla Village Drive - Torrey Pines Road to Villa La Jolla Drive. It authorized the City Manager to establish funding and execute a contract for construction. The project was advertised on January 29, 2004, and six bids were received on the bid opening date of March 17, 2004. The lowest responsible bidder was FCI Constructors, Inc., but the amount of the bid was in excess of the construction estimate. Upon further review of the estimate and the bid, and considering recent increases in steel prices and fuel, staff does not believe that re-bidding the project would result in lower bids. Therefore, to award the project, additional funds in the amount of \$700,000 would be needed. Funds for this action are available in the Facilities Benefit Assessment Fund from another project.

FISCAL IMPACT:

Funds for this action are available in La Jolla Village Drive/Interstate 805 Interchange, CIP-52-485.0, Fund 79001, Facilities Benefit Assessment Fund. The La Jolla Village Drive/Interstate 805 Interchange, CIP-52-485.0, Fund 79001, Facilities Benefit Assessment Fund will be replenished when the Fiscal Year 2005 North University City Facilities Financing Plan and Fiscal Year 2005 Capital Improvements Plan Budget are approved.

Loveland/Belock/PB

Aud. Cert. 2401149.

ADOPTION AGENDA, CONSENT ITEMS (Continued)

RESOLUTIONS: (Continued)

* ITEM-S402: Ratifying the Bid to Goal Memorandum of Understanding.

(See memorandum from Larry Gardner dated 5/5/2004 and Bid to Goal pamphlet.)

TODAY'S ACTION IS:

Adopt the following resolution:

(R-2004-1338)

Approving and ratifying the Bid to Goal Memorandum of Understanding (MOU) and authorizing the City Manager to execute the Bid to Goal MOU;

Authorizing the City Manager to accept and approve a responsible Bid submitted in accordance with the terms of the Bid to Goal MOU.

NATURAL RESOURCES AND CULTURE COMMITTEE'S RECOMMENDATION:

On 5/12/2004, NR&C voted 3 to 0 to approve the project. (Councilmembers Lewis, Frye, and Inzunza voted yea. Councilmembers Zucchet and Madaffer not present.)

SUPPORTING INFORMATION:

As part of the Council action on the Water Rate Case in April 2002 the Water Department was directed to pursue a Bid to Goal effort. The Water Operations Bid to Goal effort was modeled after the highly successful MWWD program. A consultant was hired to assist in program development. HDR Inc., an engineering consulting firm nationally recognized for assessing and optimizing municipal water systems. Employee-based Performance Improvement Teams worked to develop savings strategies in all functional areas. An employee-based Steering Committee developed the MOU and guided the entire process. Representatives of MEA and AFSCME Local 127 were voting members of the Steering Committee. This two-year effort has culminated in this presentation of the MOU for a five-year Bid to Goal Program.

The competitive assessment revealed that Water Operations is currently operating close to the competitive level identified by HDR. Past efforts within Water Operations have led to about \$50 million in actual cost savings since 1995. These optimization efforts included energy conservation, fleet reductions, the pump-back program, the seasonal storage program, and competition efforts. These past optimization efforts are continuing to pay off.

ADOPTION AGENDA, CONSENT ITEMS (Continued)

RESOLUTIONS: (Continued)

* ITEM-S402: (Continued)

SUPPORTING INFORMATION: (Continued)

The Water Operations Bid focuses on cost containment, performance measurement and commits to no staffing increases over the five-year term. The Bid includes savings strategies developed by the performance Improvement Teams that will result in \$1.2 million of savings compared to five-year budget projections. The MOU and Bid also provide for gainsharing as an incentive to employees to become more entrepreneurial and continue to develop new savings strategies.

A unique aspect of the Water Operations Bid to Goal Program is its link to ISO 14001. The San Diego Water Department will be the first water utility in the nation to link ISO 14001 to Bid to Goal and will be one of the first five water utilities to be ISO 14001 certified. ISO 14001 will establish more structure, more accountability, and better communications that will all assist in achieving Bid to Goal objectives. The Department's commitment to the Environment is expressed in the Bid by making ISO 14001 certification a prerequisite for any gainsharing distributions to employees. The Bid to Goal program supports the Department's mission and vision and approval is recommended.

FISCAL IMPACT:

Savings of \$1.2 million are projected over the term of the agreement.

Mendes/Gardner/MS

ADOPTION AGENDA, CONSENT ITEMS (Continued)

RESOLUTIONS: (Continued)

* ITEM-S403: San Diego Women's Foundation Day.

COUNCILMEMBER FRYE'S RECOMMENDATION:

Adopt the following resolution:

(R-2004-1347)

Commending all the members of the San Diego Women's Foundation for their continued commitment to improving the quality of life for all San Diegans;

Proclaiming June 10, 2004 to be "The San Diego Women's Foundation Day" in the City of San Diego.

* ITEM-S404: Excusing Deputy Mayor Atkins from Attending the Regularly Scheduled Council and Committee Meetings of July 12 to July 28, 2004.

DEPUTY MAYOR ATKINS' RECOMMENDATION:

Adopt the following resolution:

(R-2004-1357)

Excusing Deputy Mayor Toni Atkins from attending the following regularly scheduled meetings, due to her attendance at the Senior Executives State and Local Government program at the Harvard School of Government for their three week intensive training:

1. Council meetings on July 12, 13, 19, 20, 26, and 27, 2004
2. Committee on Public Safety and Neighborhood Services (PS&NS) on July 14 and 28, 2004
3. Committee on Rules, Finance and Intergovernmental Relations (RULES) on July 21, 2004

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS

RESOLUTIONS:

ITEM-S405: Joint Use Area Agreement with San Diego Gas & Electric Company to Relocate Overhead Facilities to the Public Right-of-Way in the Vicinity of Scripps Lake Drive.

(Continued from the meeting of June 7, 2004, Item 110, at the request of the City Manager, for further review.)

(Scripps Miramar Ranch Community Area. District-5.)

CITY MANAGER'S RECOMMENDATION:

Adopt the following resolution:

(R-2004-1154)

Authorizing the City Manager to negotiate and execute a Joint Use Agreement with SDG&E to relocate SDG&E facilities from private easements into the public right-of-way in the vicinity of Scripps Lake Drive, and for the shared use of said portion of the public right-of-way, including reimbursement to SDG&E if City projects require the future protection or relocation of SDG&E facilities as consideration for vacation of SDG&E's easements.

CITY MANAGER SUPPORTING INFORMATION:

The City requested that San Diego Gas & Electric (SDG&E) convert existing overhead electrical facilities to underground and install said underground electric facilities in dedicated streets as described in Exhibit "A" of the proposed agreement. This area is in the vicinity of Scripps Lake Drive between Alderbrook Drive to Scripps Ranch Boulevard. SDG&E is owner of utility easements and does not intend to abandon all of its property rights in favor of the City. However, in this agreement, SDG&E will quitclaim the easements on City owned property or right of way and relocate its facilities to the approximate location mutually agreeable to the City and SDG&E.

Both parties will agree to use the Joint Use Area Agreement in such a manner as to not unreasonably interfere with the rights of the other, nor cause damage to each other's facilities by reason of the construction, reconstruction, or maintenance of said facilities or highway by the parties involved or their contractor's agents.

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS (Continued)
RESOLUTIONS: (Continued)

ITEM-S405: (Continued)

CITY MANAGER SUPPORTING INFORMATION: (Continued)

If the City is constructing improvements, the City will protect SDG&E's facilities against any damage, or relocate SDG&E's facilities, at the City's expense. If SDG&E is working on its facilities, SDG&E will protect the City's facilities against any damage at SDG&E's expense.

FISCAL IMPACT:

None.

Loveland/Belock/AO

ADOPTION AGENDA, DISCUSSION, COMMITTEE ITEMS
COMMITTEE ON RULES, FINANCE, AND INTERGOVERNMENTAL RELATIONS,
RESOLUTIONS:

ITEM-S406: San Diego Data Processing Corporation.

(See City Manager Reports CMR-04-108 and CMR-04-090, memorandum from Rey Arellano dated 5/17/2004, letter from Andrea L. Johnson dated 5/7/2004, letter from Roger Talamantez dated 5/14/2004, memorandum from Ad Hoc Committee dated 5/5/2004, letter from Dr. Gloria Ma dated 5/5/2004, and letter from Al and Catherine Strohlein dated 5/19/2004.)

TODAY'S ACTION IS:

Adopt the following resolution:

(R-2004-1339)

Delegating the voting proxy of the City as the Member of the SDDPC to the City Manager, without limitation, over matters related to SDDPC;

Declaring that officers and employees of the City shall be eligible to serve as voting members of the SDDPC Board of Directors (Board);

Directing the City Manager to change the Board's composition to include three City staff as part of the seven-member Board: the City's Chief Information Officer (CIO) and two additional staff at the Deputy City Manager or Department Director level;

Directing the Board to confirm the CIO as Chair of the Board;

Directing the SDDPC, its Board, officers and employees, to fully and timely cooperate in all matters related to the City's efforts to develop an implementation plan.

RULES, FINANCE AND INTERGOVERNMENTAL RELATIONS COMMITTEE'S
RECOMMENDATION:

On 5/19/2004, RULES voted 5 to 0 to:

A. Approve the following and forward to the full City Council:

1. Delegate the voting proxy of the City, as the sole member of the San Diego Data Processing Corporation (SDDPC), to the City Manager, without limitation, over matters related to SDDPC.

ADOPTION AGENDA, DISCUSSION, COMMITTEE ITEMS (Continued)
COMMITTEE ON RULES, FINANCE, AND INTERGOVERNMENTAL RELATIONS,
RESOLUTIONS: (Continued)

ITEM-S406: (Continued)

2. Direct that officers and employees of the City shall be eligible to serve as voting members of the SDDPC Board of Directors (Board).
3. Direct the City Manager to change the Board's composition to include three City staff as part of the seven-member Board: The City's Chief Information Officer (CIO) and two additional staff at the Deputy City Manager or Department Director level.
4. Direct the Board to confirm the CIO as Chair of the Board and direct the City Attorney to provide the City Council with a legal opinion on this issue.
5. Direct SDDPC, its Board, officers, and employees to fully and timely cooperate in all matters related to the City's efforts to develop an implementation plan.

B. Approve the following with direction to return to the Rules Committee as indicated:

1. Direct the City Manager to establish a Project Team to take full advantage of the expertise and knowledge of the City and SDDPC staff. This Project Team will include the City Manager's Office, the City Attorney, SDDPC's General Counsel and specialized outside counsel, and senior SDDPC staff.
2. This Project Team should define the problems and potential solutions, including identifying the necessary consultants and framing the Scope of Work for any objective analysis, and identifying cost savings that could be implemented immediately. This Project Team should provide an unbiased and objective review of all strategic options for Information Technology (IT) sourcing for the City's short and long-term IT needs.
3. The Project Team should focus on the four questions posed by the Mayor and be charged with returning comprehensive answers to those questions: What organizational structure will save the taxpayers the most money? What organizational structure will provide the best information technology service? What organizational structure will best prevent future abuse? What are the existing legal obligations and rights of both the City and SDDPC?
4. The City Manager will provide a progress report to the Rules Committee in 90 days and the final Project Team Report will be due back at the Rules Committee in 180 days.

(Mayor Murphy, Deputy Mayor Atkins, Councilmembers Peters, Maienschein, and Madaffer voted yea.)