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REPORT NO: 07-015

ATTENTION: Council President and City Council
Council Meeting of January 16, 2007

REPORT TO THE CITY COUNCIL

SUBJECT: Council Policy for Prioritizing Transportation and Drainage Capital Improvement Program Projects

REFERENCE:

REQUESTED ACTION:

Adopting a Council Policy for Prioritizing Transportation and Drainage Capital Improvement Program Projects

STAFF RECOMMENDATION:

Adopt the Council Policy

SUMMARY:

The purpose of this policy is to establish an objective process for evaluating transportation and drainage CIP projects with respect to the overall needs of the City's transportation system. The resultant ranking of transportation and drainage CIP projects would be used for allocation of all transportation resources including funding and staff, as well as in the pursuit of grant funding opportunities. The goal is to maximize available resources so projects are completed effectively and efficiently, resulting in more projects delivered citywide.

BACKGROUND:

Since 2001, staff from the Engineering and Capital Projects Department has participated in a study to evaluate the delivery of Capital Improvement Projects among the state's seven largest cities. This effort known as the California Multi-Agency CIP Benchmarking Study included benchmarking performance data and identifying best management practices (BMP) for the delivery of improvement projects for the various types of public infrastructure. One BMP recommended by this study is for each agency to have a prioritization system for ranking Capital Improvement Program (CIP) projects so that resources can be used in the most effective and efficient manner.

The commitment of resources to the Transportation and Drainage Capital Improvements Program (CIP) projects within the City has traditionally not had the benefit of a comprehensive evaluation to determine overall needs so that projects can be ranked accordingly and efficiently funded. This approach has limited the overall effectiveness of available resources by providing transportation and drainage projects with fewer resources than is needed to accomplish major project milestones, such as the planning and design phases of a project. This has limited the City's ability to compete for outside grant funding, since these grant programs place emphasis on having the design and the associated activities completed.

DISCUSSION:

The proposed Council Policy would establish an objective process for evaluating Transportation and Drainage CIP projects with respect to the overall needs of the City's transportation system. The policy would achieve this by establishing several project categories for the various types of transportation work, standard phases of project development, and a unified set of criteria for the evaluation of each project's benefits to the overall program. The following details each of these facets and how they contribute to the policy goals:

1. Project Categories – Several distinct categories of Transportation CIP work would be established so that a comparison can be made between projects with similar facilities and goals. The following categories are proposed:
 - a. New Roads, Roadway Widening, and Roadway Reconfigurations
 - b. Street Enhancements including medians and streetscape
 - c. Bridge Replacement, Retrofit, and Rehabilitation
 - d. Bicycle Facilities (all classifications)
 - e. Pedestrian Facilities including sidewalks but not curb ramps
 - f. Pedestrian Accessibility Improvements including curb ramps
 - g. Street Lighting including mid-block and intersection safety locations
 - h. New Traffic Signals
 - i. Traffic Signal Upgrades and Modifications
 - j. Traffic Signal Interconnections and other signal coordination work
 - k. Traffic Calming, Flashing Beacons, and other speed abatement work
 - l. Guardrails, Barrier Rails, and other structural safety enhancements
 - m. Drainage including pipes, channels, and storm water pump stations
 - n. Erosion control, slope stabilization, and retaining walls supporting transportation facilities
 - o. Other miscellaneous transportation facilities

Projects that contain elements of work spanning several categories would be classified according to the predominant facility being constructed, as determined by the cost of each element. For example, a large roadway project that also includes a minor amount of modifications to a bridge would be categorized as a Roadway Project not a Bridge project. Classifying all projects into these categories would focus the CIP effort into the various types of facilities that need improvement and ensure that resources are concentrated into only the most beneficial projects in those categories. To facilitate this, all future Capital Improvement Program budgets would reflect project allocations according to these categories. This would simplify the CIP budget by creating transportation programs for each type of project work and clarify the level of need in each area of transportation related infrastructure. Allocations made for these project categories would include the necessary resources for the completion of all supporting facets of the project including such items as environmental mitigation, property acquisition, utility relocation, and all other project activities.

2. Project Phases – Since the level of effort and resources needed to pursue a project changes over time, it is necessary to only compare projects with similar levels of

completion. So, all transportation and drainage CIP projects shall be separated into the following standard Phases of project development within each Project Category:

- a. Planning (including a feasibility study, detailed scope, and budget).
- b. Design (including the environmental document, plans, and specifications)
- c. Construction (including construction contingencies)

With this, projects in the design phase would only be compared to other projects undertaking design. In order to ensure a continuous development of transportation projects and properly prepare for grant opportunities, minimum levels of resources should be allocated to projects that are under development. To achieve this, the policy contains a requirement for a minimum of five percent (5%) of transportation and drainage resources to be allocated to projects in the Planning phase and a minimum of thirty percent (30%) to projects in the design phase. This would help create a reserve of projects that are “ready-to-go” to construction and significantly help the City compete for grant funds.

3. Project Criteria – As a basis for the prioritization effort, standard criteria and weighting for each major factor that could affect a project’s viability should be established. This would be used to evaluate the relative importance of each project within its category and phase. The following criteria and score weighting are recommended for this purpose:

a. Health & Safety (25%) - This measures the degree to which the project improves the safety of the public using the transportation system. This is also where regulatory orders or other legal mandates would be represented. Examples include:

- i. Modifying a roadway where a significant number of accidents have occurred.
- ii. Improving the seismic safety rating of a bridge
- iii. Upgrading an undersized storm where significant flooding problems have occurred.
- iv. A project that reduces response times by emergency vehicles
- v. A legal order to complete a project by a certain date

b. Capacity & Service /Mobility (20%) - This measures how much the project would improve the ability of the transportation system to move people under all modes of travel including vehicle, transit, bicycle, and pedestrian usage. An evaluation of how the project would improve the connectivity and reliability of the City’s transportation and drainage systems is included as well. Examples include:

- i. Reconfiguration of an intersection to reduce delays.
- ii. Improvement of parallel road to bypass a congested intersection or provide an alternative route
- iii. Traffic Signal Interconnection that reduces travel times along a congested corridor.

- iv. Transit facilities such as priority signals that speed up high usage bus routes.
- c. Project Cost and Grant Funding Opportunity (20%) - This measures the amount of funding needed for the project as well as how much the project brings funding from outside the City in the way of grants from outside agencies. Examples of situations that would affect this are:
- i. A project that would bring grant funds from an outside agency into the City would score higher.
 - ii. A project that only relies on City-wide discretionary funds (TransNet, etc) would score lower.
 - iii. A project that requires a higher amount of City funding would score lower.
 - iv. A project that includes an disproportional amount of non-transportation supporting work elements (landscaping, etc) would score lower.
- d. Revitalization, Community Support & Community Plan Compliance (15%) - This measures how much a project contributes to the framework requirements in the General Plan, Community Plan, Regional Transportation Plan, or an approved City-wide master plan. Community support of a project is also measured here as well as an assessment of how well the project contributes towards economic development and revitalization efforts. Some examples of projects that would be affected this are:
- i. A project that would benefit a pilot village in the City of Villages Strategy or further Smart Growth.
 - ii. A project that implements a portion of the City-wide master plan or corridor study would score higher.
 - iii. A project that has overwhelming and documented support from throughout the community or the region.
 - iv. A project that implements a portion of an approved Redevelopment Area infrastructure plan.
 - v. A project that would provide transportation facilities for a Community Development Block Grant (CDBG) eligible area would score higher.
- e. Multiple Category Benefit (10%) – Some projects contain elements that bring benefit multiple categories of transportation related infrastructure. This would be an opportunity to save resources by accomplishing multiple goals under one project. So, this factor would give additional points for projects that provide high rated benefit to multiple project categories. Some examples of projects that would be affected by this are:

- i. A roadway project that also provides for the replacement of a highly deteriorated storm drain.
- ii. A streetscape project that also provides street lighting at critical intersections.
- iii. A bikeway project that provides slope stabilization at a point of known erosion problems.
- iv. The evaluation results of this criterion shall constitute ten percent (10%) of a projects total score.

f. Reduces Maintenance Needs (5%) – Reducing maintenance expenditures continues to be a crucial element to the financial health of the City. If a CIP project can offset the need for maintenance activities, then this should be considered in the overall ranking of the project. So, this factor would measure how much a project can reduce maintenance expenditures. Some examples of projects that would affect this are:

- i. A roadway widening project that replaces an area of pavement in poor condition would score higher.
- ii. A roadway widening project that installs a highly rated traffic signal would score higher.
- iii. A storm drain replacement project that reduces the need for cleaning or repairs would score higher.
- iv. A project with equipment that requires frequent maintenance would score lower.

A project with special maintenance needs (decorative pavement, landscaping, artwork, etc) whose costs are covered by a secured outside funding source such as Maintenance Assessment District would not be affected by this criterion.

g. Project Readiness (5%) – How quickly a project can begin benefiting the transportation system is important for the most efficient use of our funds. So, this factor would measure how much time is required to for a project to complete its current project phase. Some examples of projects that would affect this are:

- i. A complex project that would require a long time to complete design would score lower.
- ii. A project with a completed environmental document would score higher during the design phase.
- iii. A project that requires a policy change to implement would score lower during any phase.
- iv. A project that has all of its maintenance needs secured would score higher during the design or construction phases.
- v. A project that has completed the previous phase for more than a year would score higher in the evaluation for the next phase.

Under the proposed Council Policy, staff would develop a prioritization score for each Transportation and Drainage CIP project that is proposed to utilize City-wide resources, using the project categories, phases, and criteria described above. All Transportation and Drainage CIP projects would be ranked within their respective project categories and phases according to their project score. In order to ensure fair distribution of resources throughout the City, any infrastructure deficiencies within a particular community would be considered in the case of multiple projects with equal scores. From these scores, ranking lists for each category of Transportation and Drainage CIP project would be reported to the Council as part of the annual CIP budget. The policy also includes provisions for a contingency of at least 15% within each project category. This would account for unforeseen conditions that would otherwise interrupt the progress of a project and for emergency needs.

Upon approval of the CIP budget, staff would pursue each project phase according to its priority ranking within each category (roadways, bridges, etc). These rankings would also be utilized for the pursuit of all outside grant funding opportunities that may arise during the year. The priority scores would be updated by staff, as the project conditions change or as new information becomes available. When changes occur that would alter a project's priority ranking, the revised priority list would be reported to the Council, prior to allocating additional resources (from the contingency or savings in completed phases) to any projects whose rankings are affected. Similarly, resources would not be withdrawn from a project prior to the completion of its current phase, unless a revised priority list is presented to Council. This way, Council would be assured that the previously reported priority rankings would continue to be pursued within each program's budgeted resources and allow for reconsideration in the event that new conditions arise between the budget cycles.

FISCAL CONSIDERATIONS:

Implementation of this policy would have a moderate fiscal impact for the collection and evaluation of additional project data as well as the reporting efforts. However, it is anticipated that these costs would be recovered from existing Transportation and Drainage CIP revenues. This would result in a minor increase (less than 0.5%) in the cost of each CIP project from additional staff charges for providing the necessary project data to the system. However, it is anticipated that this policy would result in savings through increased project delivery efficiency and the significant potential for increasing the amount of outside grant funds that are obtained by the City.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

In October of 2002, this recommendation was presented to the Council Committee on Public Safety and Neighborhood Services as part of the report on the California Multi-Agency CIP Benchmarking Study. This recommendation was also included in the Zero Based Management Review (ZBMR) Task Force report to the Council's Select Committee for Government Efficiency and Fiscal Reform in April of 2005. In March and October of 2006, staff made presentations to the Council's Committee on Land Use and Housing (LU&H). A presentation was also made to the non-LU&H Council Offices in March of 2006.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Presentations for this proposal have been made to the San Diego Highway Development Association and the San Diego City Engineers Association. Discussions on this proposal have been conducted at the City-County Transportation Advisory Committee at SANDAG and the California Multi-Agency CIP Benchmarking group.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Since implementation of this policy would alter the manner in which Transportation CIP projects are evaluated, various stakeholders could be affected to some degree, which cannot be firmly established at this time. However, the policy effects would be City-wide and no direct impacts to any specific stakeholders are anticipated.

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