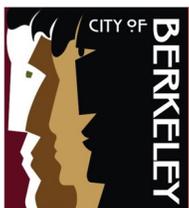
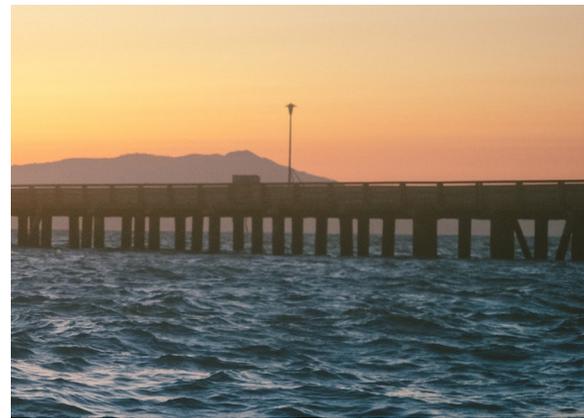
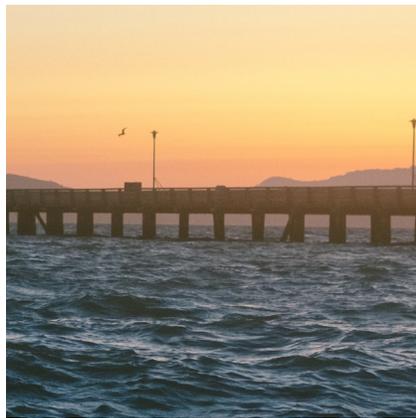
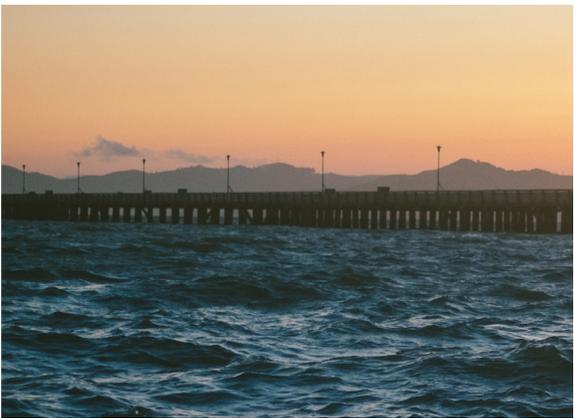
A stylized map of Berkeley, California, showing a grid of streets and several location pins in various colors (blue, green, purple) scattered across the city. The map is overlaid on a dark background with a faint grid pattern.

Measure T1 Bond Policies and Procedures Manual

CITY OF BERKELEY



JANUARY 2019

Acknowledgements

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We would like to thank the Parks and Waterfront and Public Works Commissions for providing feedback.



Table of Contents

1. Purpose and Scope	1
2. Program Description	1
2.1. <i>Background</i>	<i>1</i>
2.2. <i>Program Phasing Schedule.....</i>	<i>3</i>
2.3. <i>Requirements, Limitations, and Restrictions.....</i>	<i>3</i>
2.4. <i>Program Projects.....</i>	<i>6</i>
2.5. <i>Program Project Schedules.....</i>	<i>6</i>
3. Program Management Team Organization.....	6
3.1. <i>T1 Management Team.....</i>	<i>6</i>
3.2. <i>T1 Administrative Team</i>	<i>7</i>
3.3. <i>T1 Project Management Staff.....</i>	<i>7</i>
4. Program Management.....	8
4.1. <i>Budgeting</i>	<i>8</i>
4.2. <i>Project Selection.....</i>	<i>9</i>
4.3. <i>Project Sequencing.....</i>	<i>13</i>
4.4. <i>Program Controls</i>	<i>14</i>
4.5. <i>Program Change Management.....</i>	<i>19</i>
4.6. <i>Document Control</i>	<i>20</i>
4.7. <i>Communications.....</i>	<i>21</i>
5. Project Management	23
5.1. <i>Project Roles and Responsibilities</i>	<i>24</i>
5.2. <i>Project Control.....</i>	<i>24</i>
5.3. <i>Project Change Management</i>	<i>25</i>
5.4. <i>Community Engagement and Communications.....</i>	<i>27</i>

1. Purpose and Scope

The purpose of this Manual is to provide clear and concise guidelines on the management of T1 funds. This manual is intended to document program goals and performance metrics, program management structure and processes, project management guidelines, bond requirements and restrictions, and expenditure control policies and procedures. This Manual is expected to improve the understanding of policies and procedures by staff and the community, and help prepare the City for future audits.

This Manual is intended to be updated to reflect needed clarifications or current best practices. The responsibility for keeping the Manual current and sensitive to Program requirements belongs to the T1 Management Team.

2. Program Description

The following section provides background on the Measure T1 program, an overview of the implementation schedule, a brief description of general requirements, restrictions, and limitations.

2.1. Background

In May 2016, City Council resolved to place a General Obligation (GO) bond to fund the repair, renovation, replacement, or reconstruction of the City's existing infrastructure and facilities before the voters at the following November General Municipal Election (Resolution No. 67,522-N.S.). The resolution identified the significant need to fund necessary improvements so that the public can continue to benefit from the use of City infrastructure and facilities. The City's existing funds and funding sources are inadequate to pay for the necessary improvements.

2.1.1. Existing City Infrastructure and Facilities

The Departments of Public Works (PW) and Parks, Recreation & Waterfront (PRW) are jointly responsible for managing, maintaining, and upgrading an extensive portfolio of community-serving capital assets and infrastructure.

PW operates, maintains, and manages 56 facilities, including fire stations; senior centers; police stations, buildings dedicated to the delivery of health services; facilities that support City government operations and other City-owned property such as public garages. PW is also responsible for maintaining other City infrastructure such as: approximately 325 retaining walls, bridges, tunnels, culverts

and other miscellaneous non-building structures within the public right of way and easements; 254 miles of public sanitary sewer mains and 130 miles of public sewer laterals; 300 miles of concrete sidewalks; a storm drain system containing 78 miles of underground pipes, manholes, catch basins, and cross drains; and 216 miles of City streets and related facilities such as traffic signals and street lights.

PRW operates, maintains and manages 52 parks, 5 community centers, 2 pools, 3 resident camps, and approximately 15 sports fields, 49 sports courts, 63 play areas, 36 picnic areas, 33,000 street and park trees, 124 street medians, 263 street irrigation systems, and 29 restrooms and out buildings. PRW is also responsible for maintaining related infrastructure such as water and irrigation systems, sewer laterals, storm drain systems, electric conduits and lighting, trails, pathways, and parking lots. In addition, PRW operates and maintains the Berkeley Waterfront and resident camps and its related facilities, such as docks, piers, parking lots, trails, 1,000 boat berths and other infrastructure and buildings, including the Nature Center, Adventure Playground, office buildings, and restaurants.

The City's existing infrastructure and facilities provide important and critical services to the public. These facilities and services require significant resources to repair and maintain for ongoing public benefit.

2.1.2. Bond Inception and Authorization

In November 2016, a proposed \$100 million dollar GO bond to repair, renovate, replace, or reconstruct the City's aging, infrastructure and facilities, including sidewalks, storm drains, parks, streets, senior and recreation centers, and other important City facilities and buildings was placed before Berkeley voters as Measure T1. Measure T1 passed with 86.5% of the vote, and the People of the City of Berkeley authorized the City of Berkeley to incur bonded debt and issue a GO bond, (Resolution No. 67,795-N.S.). In June 2017, City Council adopted the first set of projects for implementation in phase 1 of Measure T1 to help address the significant and growing unfunded infrastructure needs. The total estimated amount for phase 1 projects was \$37,365,000, (Resolution No. 68,076-N.S.). These bond-funded capital projects were added to the City's overall Capital Improvement Program.

In October 2017, City Council authorized the first sale of GO bonds, which totaled \$35 Million for phase 1, (Resolution No. 68,199-N.S.). The GO bonds were sold in November 2017.

2.2. Program Phasing Schedule

Measure T1 projects are anticipated to be performed in three phases spanning a total of 12 years. This will enable the City to evenly distribute workload over time and allow significant time for public input. Each phase will include a robust public project selection process, City Council review and approval of projects, and a bond sale.

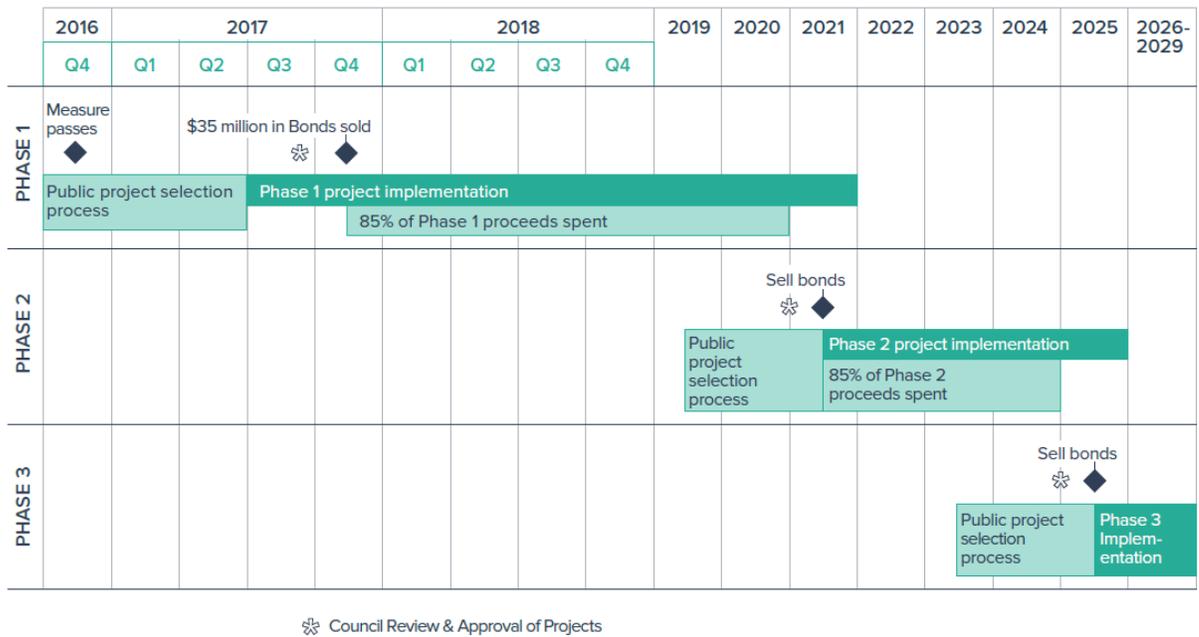


Figure 1, Measure T1 Program Schedule including Key Phases and Milestones

2.3. Requirements, Limitations, and Restrictions¹

The City is empowered under Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the “Bond Law”) to issue general obligation bonds that are authorized by two-thirds of the electors voting on the proposition. The bonds are payable as to both principal and interest from the proceeds

¹ Unless otherwise noted, source is: City of Berkeley, Report to Council, “Recommendations for allocating and managing Measure T1 General Obligation Bond funds”, Office of the City Manager, December 22, 2016

of the levy of ad valorem taxes on all property subject to such taxes in the City.
(Resolution No. 68,199- N.S.)

2.3.1. Projects and Goals

As stated in the bond language (Resolution No. 67,522-N.S.), the proceeds of the bonds sold shall be used to fund the improvements and functional art integrated into the improvements. Improvements are defined as the City's existing infrastructure and facilities that are in need of significant repair, renovation, replacement, or reconstruction so that the public can continue to benefit from them.

Existing infrastructure critical to protecting public safety and welfare, and enabling the residents of Berkeley to have a high quality of life include, but are not limited to:

- Streets and sidewalks which provide for transportation and accessibility for both the general public and public safety personnel
- Storm drains and green infrastructure projects which protect the public from flooding and improve the quality of runoff into San Francisco Bay
- Senior Centers which provide important services for the City's seniors, including educational courses, activities, social support, and meals. In emergencies, Senior Centers can also serve as local care and shelter facilities for all members of the community
- Parks and recreation community centers and facilities which provide recreational, educational and social opportunities, and support for children and families. In emergencies, Community Centers can also serve as local care and shelter facilities for all members of the community
- The City's public buildings and other facilities, which are both important cultural resources in themselves and provide public services to the residents of Berkeley

In Resolution 67,795-N.S., Council resolved that 1% of bond proceeds shall be available for functional art integrated into T1-funded improvements, as and to the extent determined by City Council.

2.3.2. Expenditure Timing Requirement

Under federal tax law, for each Measure T1 phase, the City must have a reasonable expectation of spending at least 85% of bond proceeds within 3 years of the sale. If 85% is not spent, there are two consequences:

- The unspent project funds must be yield-restricted, i.e. invested at a rate that generates less than the bond yield; and
- If the City's bonds are audited, and the Federal Internal Revenue Service (IRS) determines that the City did not have a reasonable expectation at the time bonds were sold, that it could spend 85% within three years, then the IRS could conclude that interest on the bonds is taxable, which could require a payment by the City to the IRS.

2.3.3. Staffing and Overhead Costs and Limitations

Bond proceeds may be used for labor (staff costs) to work on projects, and associated facility costs (such as rent and utilities), equipment, services and supply costs, but not for purely "community process" efforts. For example, a bond-funded project manager is not prohibited from talking to residents or attending meetings, but funds should not be used to hire consultants to facilitate general public outreach. Bond funds may be used to pay administrative costs (including staff time) directly related to bond-funded projects.

2.3.4. Private Activity Bond Limitation

Bond proceeds are not to be used as to cause the Bonds to satisfy the private business tests of Section 141(b) of the Federal Tax Code or the private loan financing test of Section 141(c) of the Federal Tax Code.

2.3.5. Leased Property Restriction

Bond proceeds may only be spent for the improvement of real property with "municipal improvements" as defined in BMC Section 7.64.020. Expenditures are limited to property owned or leased by the City. Thus, bond funds may not be spent to improve real property that is not owned or under a long-term lease by the City. For example, properties owned by the school district that are not under a long-term lease with the City are not eligible.

2.4. Program Projects

Eligible projects are selected as described in Section 4.2 Project Selection. The project selection process includes staff analysis and recommendation, commission review, community input, and City Council approval. See Section 4.5 Program Change Management for policies and procedures regarding changes to the list of approved projects.

2.5. Program Project Schedules

Approved T1 Projects are scheduled over each phase of Measure T1 to balance workload and effort into the City's established capital improvement program. The length of the planning, design, and construction phases of each project are taken into consideration to estimate the life of each project. The construction phase is scheduled to minimize disruption to the public as City services and facilities are removed from service to undergo renovations. Projects are scheduled with the expectation of spending at least 85% of the total bond amount within 3 years of the sale of the bond.

3. Program Management Team Organization

The following section provides a general overview of the T1 Program Management Team.

3.1. T1 Management Team

The T1 Management Team is responsible for implementing the projects funded through Measure T1, including project planning, resourcing, and management. The T1 Management Team is comprised of the PW and PRW Directors, Deputy Directors, the Manager of Engineering, Fiscal Managers, and Supervising Civil Engineers. This team is supported by the T1 Assistant Management Analyst. Responsibilities include meeting regularly to review the Measure T1 budget, expenditures, project progress, and to prepare detailed reports for Council, Commissions and the community about how Measure T1 funds are being expended.

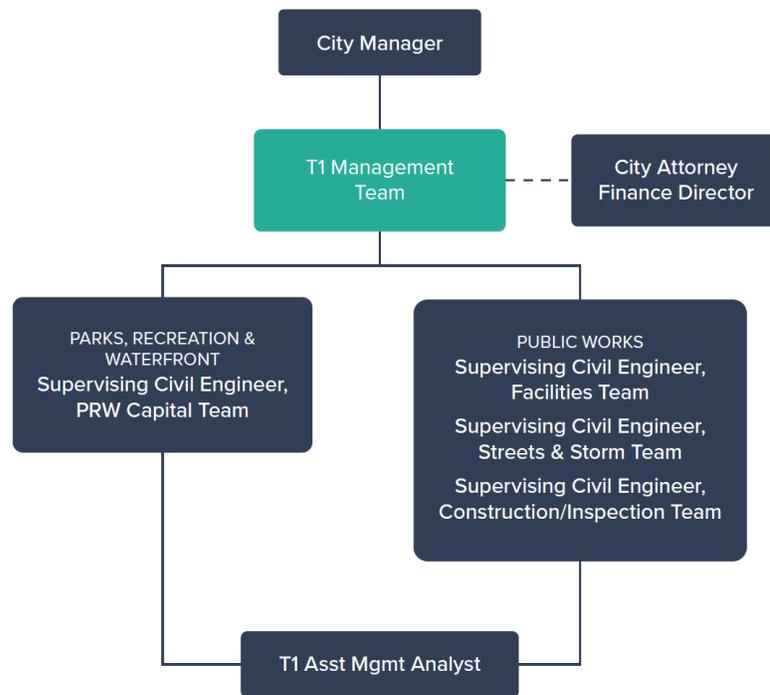


Figure 2, Measure T1 Team Organization²

3.2. T1 Financial Team

The T1 Financial Team is a subset of the T1 Management Team consisting of the T1 Assistant Management Analyst, Fiscal Managers, and also includes Analysts from the Public Works and the Parks, Recreation and Waterfront Departments. This team meets regularly regarding the overall program budget, expenditures, and administration of the bond program.

3.3. T1 Project Management Staff

T1 Project Management Staff consists of various staff from within the Public Works and the Parks, Recreation & Waterfront Departments. Full-time equivalent (FTE) employees will be allocated to manage Measure T1 projects based on personnel expertise and project timelines. The FTEs are comprised of the Supervising Civil Engineers, Associate Civil Engineers, Assistant Engineers, Inspectors, and others who are directly responsible for managing or facilitating Measure T1 projects.

Five FTEs were allocated to the Measure T1 Program in total, currently spread across 11 staff in the PW and PRW departments. The T1 Assistant Management Analyst position

² Bi-Annual Update on Measure T1 City Infrastructure Bond, pg. 4, November 7, 2017

accounts for one FTE. The number of staff allocated to Measure T1 may change over time as the number of active and planned projects change, including during the onset and outset of subsequent phases.

As with all Measure T1-related costs, staff charges to Measure T1 will be based on actual time worked on Measure T1 projects. Labor costs for all other administration, such as Directors, Deputy Directors, other managers, departmental payroll, purchasing, budget staff, and other City-wide support services like IT, Human Resources, and Finance are not billed to Measure T1.

4. Program Management

The following section describes the processes and methods for managing the Measure T1 Program, including financial and technical controls, coordination, and communication.

4.1. Budgeting

The purpose of this section is to define how the T1 Management Team will develop budgets for Measure T1 costs. The \$100 Million total funds will be allocated to projects in three phases. The budgets for each phase are created in the following sequence:

- a) The Finance Department and Bond Counsel determines the total budget for the phase based on bond sales. The bond sales limit “is set by the terms of the bond program, which requires that the upper limit of bond sales cannot exceed the total debt covered by the current 10 year average tax rate for a Berkeley resident”³. The limit is determined at the time of sale for each phase of the program.
- b) Per Resolution 67,795-N.S., Council resolved that 1% of bond proceeds shall be available for functional art integrated into Measure T1-funded improvements. These proceeds are set aside before the T1 Management Team allocates the available budget to projects, staffing, facilities, equipment, supplies, and services based on the results of the project selection process (see Section 4.2).

³ Measure T1 Bi-Annual Update Report, November 7, 2017, Page 5-6

4.2. Project Selection and Prioritization

The purpose of this section is to document the process by which projects are selected and prioritized for the Measure T1 Program. This process is carried out separately for each phase as described in the Program Phasing Schedule in Section 2.2. The project selection and prioritization process for each phase is expected to be extensive and has an expected overall timeframe of two years. This process takes into account the Bond requirements and considerations, City Council guidance, and community input. Going forward, project prioritization should be performed during the initial project selection phase to facilitate responsiveness to change during project implementation considering bond timing requirements. The following criteria are considered as projects are selected and prioritized for each phase.

Table 1, Measure T1 Project Selection and Prioritization Considerations⁴

Criteria	Description
➤ Greatest Benefit	Project provides impact to the greatest number of Berkeley residents.
➤ Equity	Criteria applied after looking at full list of projects. Consideration of geographic and demographic distribution of projects.
➤ Health, safety, and resilience	Project addresses public health and safety, such as improvements for disaster preparedness or emergency response.
➤ Environmental Sustainability/ Durability	Project which improves water quality, have elements of green infrastructure, or also include energy, climate, or other zero waste goals. Project uses durable elements or technologies that may lower long term cost.
➤ Project readiness	Considering projects that are underway or already shovel-ready.
➤ Leveraging other funds	Project utilizes other funding sources.
➤ Feasibility	Consideration of the following: <ul style="list-style-type: none"> a) the ability to complete a project/sequencing: project does not have any known barriers, such as site conditions, funding, or permitting issues, that will substantially delay or prevent completion of the project. b) renovating infrastructure before end of useful life to avoid larger expense or closure of amenity.

The result of the project selection process is a set of projects that meets criteria listed above to the extent possible, has been vetted by the community and commissions, and approved by City Council.

⁴ City of Berkeley City Council Consent Item #4, January 31, 2017 and Resolution 67,666-N.S., September 13, 2016

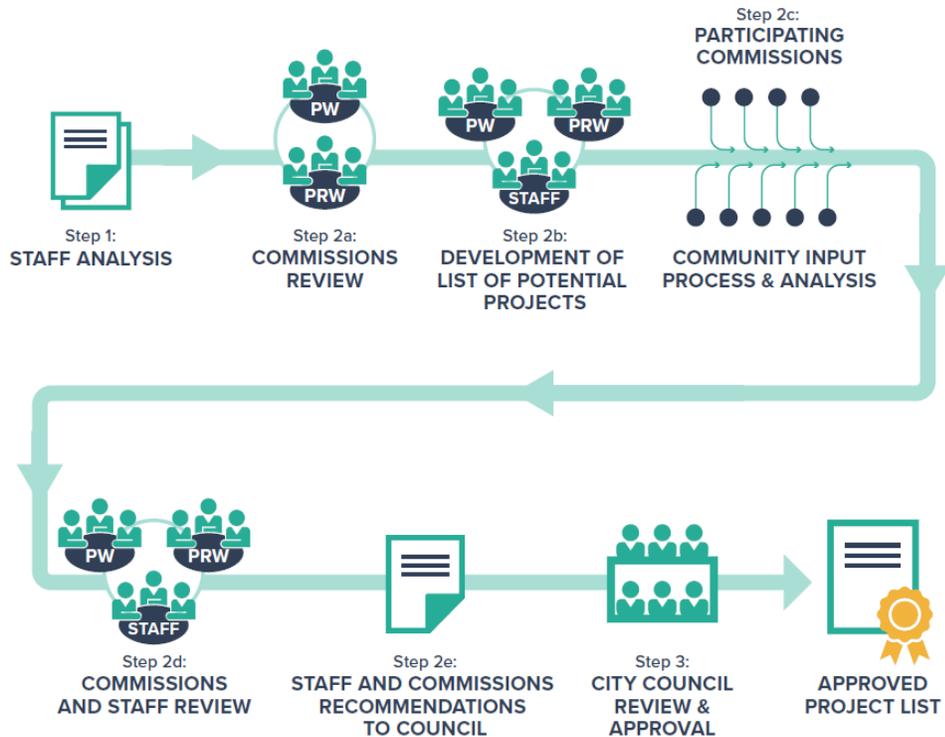


Figure 3, Measure T1 Project Selection Sequence

Step 1: Staff Analysis (6 months)

The T1 Management Team will provide cost estimates of potential projects to provide to the commissions and community during the public process to facilitate discussions to determine the support, wants, needs, and priorities of the public for implementation in Measure T1. In addition, the T1 Management Team accepts feedback at any time through the T1 website and email address.

The PW and PRW departments have reported significant unfunded infrastructure and facility needs. Based on these reports and any public input received, the T1 Management Team will prepare a list of priority projects. The list shall be organized by infrastructure type and in conjunction with the City’s overall capital improvement programs. The T1 Management Team will solicit preliminary input from City commissions and other City departments to provide a broad list of project options. At a minimum, the T1 Management Team will provide the following information about each project, if applicable:

- Name
- Infrastructure Type
- Brief Scope

- Phase (conceptual, design, construction)
- Cost Estimate
- Timeframe

Conceptual projects will focus on public processes, feasibility studies and analyses that culminate in a preferred project plan and cost estimate. These projects will be ready for the design and construction phase when funding is identified. *Design* projects will include public process, design, permits and bid package, and are intended to produce shovel-ready projects for a later phase of T1 funding, grant funding, or other funding. *Construction* projects will be entirely designed and built.

The initial list of projects is expected to represent a cost significantly greater than the Measure T1 funding available. However, the list will represent a set of options from which all stakeholders can select a final set of recommended options.

Step 2: Community Input Process and Analysis (12 months)

City staff along with PW and P&W Commissions will jointly facilitate a robust community engagement process that will include the public and participating commissions. Their recommendations will be submitted to City Council. The purpose of this process is:

- To receive input on project priorities from a wide range of community members.
- To receive input on how best to balance the wide range of projects needs that are eligible to be funded by Measure T1.
- To receive input on how best to equitably distribute the benefits of Measure T1.

The process is as follows:

2a. Commissions Review – The PW and P&W Commissions serve as the lead commission for the Measure T1 Program. They will meet to review the initial set of projects from Step 1 and finalize the community input approach. These meetings will launch the community engagement process that will include additional commissions. The Commissions will jointly document the process used to engage the community in the final report to City Council.

2b. Staff and Commission Collaboration – Staff works with the lead commissions to develop a proposed project list.

2c. Participating Commissions Input – The lead Commissions (PW and P&W) will seek input from other participating commissions in order to make an informed decision about the proposed projects. Participating commissions can provide feedback by sending a commission representative to one of the lead commissions, delegating City staff who attended their commission meetings to provide their comments to one of the lead commissions, or providing written comments to the lead commissions.

The following commissions participated in the Measure T1 Phase 1 Input Process: Children, Youth, and Recreation Commission; Civic Arts Commission; Commission on Aging; Commission on Disability, Community Environmental Advisory Commission; Disaster & Fire Safety Commission; and Energy Commission; Housing Advisory Commission; Landmarks Preservation Commission Transportation Commission; and the Zero Waste Commission;

Other interested commissions are invited to provide input through the two lead commissions.

2c. Public Meetings

The lead Commissions and staff will facilitate community meetings organized by the specific type of infrastructure – for example, facilities, streets, green infrastructure, and parks. The community input gathered at these meetings, as well as submitted via email (T1@cityofberkeley.info) will be compiled by staff for consideration by commission and staff developing the final list of recommended projects to be presented to City Council.

2d. Staff and Commissions Review

The lead Commissions and staff will review input gathered from the community and finalize a proposed list of projects.

2e. Preparation of Staff and Commissions Recommendations to City Council

After collecting the full set of community input, the PW and P&W Commissions will jointly prepare a report to City Council describing:

- Overview of the selection process, including the community engagement process
- Recommendations for projects to be included
- Brief justifications for each selection organized by type of project

- Prioritization of selected projects
- Recommendations

Staff may prepare a separate companion report.

Step 3: City Council Review

City Council will consider the proposed projects and adopt a resolution approving a final list of projects.

4.3. Project Sequencing

Under federal tax law, 85% of bond funds must be spent in three years. Projects are sequenced to meet this requirement. The purpose of this section is to describe the process for sequencing the projects for each phase. The key factors that determine project sequencing include, but are not limited to:

- Grants and alternate funding timeline requirements - Projects that receive grant funds will have additional requirements that may require additional deadlines, reporting, and coordination.
- Reducing construction impacts to residents – The goal is to deliver construction projects in a sequence that reduces overall disruptions to City services.
- Coordination with outside agencies – Some projects may require coordination and permitting with regional agencies such as East Bay Municipal Utility District, the California Department of Transportation (Caltrans), East Bay Regional Parks District, and/or the San Francisco Bay Conservation, and Development Commission.
- Coordination with other City Departments – Some projects may require coordination, permit, review, or approval from other City departments or City entities, such as Civic Arts, Landmarks, Building and Planning Department, IT, etc.
- Construction timeline – Some projects may have specific timelines for construction, such as work needed during dry weather or low tide.

The T1 Management Team will assess the project timelines as projects are developed over the course of the selection process according to the key factors listed above.

4.4. Program Controls

The purpose of this section is to document a set of program controls that enable the T1 Management Team and the public to track progress of the program and make informed course corrections as conditions change over the course of program implementation.

4.4.1. Program Performance Tracking

Key performance indicators are useful for progress reporting as well as improving performance over time. These indicators will describe how the T1 Team can monitor progress against targets at the program level. Clearly presenting the progress achieved by using Measure T1 funds is important to demonstrate the value of the program to the public.

4.4.1.1. Program Schedule Report

The T1 Management Team coordinates with the public as needed in order to deliver projects within the Program Schedule. Staff may prepare a program-level schedule displayed in six-month increments. The T1 Management Team updates City Council by including the schedule in its bi-annual reports and a brief discussion of relevant issues that arise.

4.4.1.2. Program Performance Indicators (Expenditures)

The T1 Administrative Team will meet monthly to review program/project budgets and expenditures against projected expenditures. These reviews will include tracking the initial program/project budget, current year expenditures, current year encumbrances, and planned expenditures for each of the remaining years of the phase to calculate the projected expenditures for the full phase. They will also include information such as available and spent bond funds and City Council approved amounts to track the projected expenditures against these amounts.

Table 2, Measure T1 Key Program Performance Indicators

<i>Year to date expenditures against budget</i>
<i>Year to date encumbrances against budget</i>
<i>Planned expenditures against budget</i>
<i>Percent projects complete</i>
<i>Project to date expenditures and encumbrances against budget</i>

4.4.2. Project Estimating Guidelines

It is important to define how cost estimates are developed for projects. Cost estimates become more precise as a project shifts from conceptual planning, to design, and then to construction.

4.4.2.1. Conceptual Planning Phase Estimates

The Project Manager prepares project cost estimates at the initial phase of a project. The cost estimates are based on recent projects of a similar nature and modified for anticipated changes in the costs such as inflation. The project contingency percentage at this stage of development can be up to 50% of the overall project cost.

4.4.2.2. Design Phase Estimates

Project Managers may contract with a Design Consultant who will prepare a detailed cost estimate based on the developing parameters of the design. The cost estimate is reviewed by the Project Manager and Supervising Civil Engineer. The Design Consultant typically prepares a cost estimate at each submittal (such as 35%, 65%, 95% and Final). The project contingency percentage declines as design is developed and can be reduced to as low as 10% at final design stage. Final design stage cost estimates are used to finalize base bid scopes and identify additive alternates to the project.

4.4.2.3. Bid Estimates and Construction Bid Results

Construction Bid Documents are planned to include both base bid minimum scope and additive alternates to meet the identified project budget. When construction bids are received, the construction bids shall be reviewed by the T1 Management Team to confirm the Construction Budget and to make a recommendation for the amount of Construction Contingency (typically up to 20% of construction). If the Construction Bids received differ from the identified project budget, see Change Management procedures for alternative courses of action.

4.4.3. Procurement

Procurements that relate to Measure T1 must follow the City's Purchasing Manual and procurement standards and guidelines⁵, summarized below.

⁵ City of Berkeley Purchasing Manual, 2015

4.4.3.1. Facility, Equipment, Services, and Supplies (FESS)

The T1 Assistant Management Analyst will submit purchase orders for items that relate to the management and administration of Measure T1. These costs will be assigned to the Measure T1 FESS budget code. The FESS budget is prepared for each phase and is reviewed annually.

4.4.3.2. Consultant Selection and Contracting Process

Projects that are in the concept and design phase are typically carried out through On-Call contracting arrangements. Architectural, engineering, and construction management work is typically (though not exclusively) carried out through on-call contracts.

On-Call contracts are solicited through a Request for Qualifications (RFQ). Project-specific proposals are then submitted and approved by task order. Due to the time constraints of each phase, T1 staff will use these on-call consultants to expedite the contract process whenever possible.

Project-specific Requests for Qualifications or Requests for Proposals may be used for projects requiring specific expertise.

4.4.3.3. Construction Procurement Process

Purchases above \$25,000 require a formal Request for Proposal ("RFP")/Invitation for Bid ("IFB") process and will be awarded to the lowest responsive and responsible bidder per the California Public Contract Code (look up reference). The City Manager has the authority to approve construction projects with a value under \$200,000. Projects with a value greater than \$200,000 require City Council approval.

If the construction bid is within the project budget, the proposal shall be reviewed for completeness, responsiveness, price, contractor's experience and qualifications, and if applicable, will then be brought to City Council for approval to award the contract.

4.4.4. Cost Accounting

The T1 Administrative Team maintains records for the Measure T1 program budget and costs as shown below.

4.4.4.1. Labor Costs

Approximately five full-time equivalent (FTE) staff-hours have been assigned to support the implementation of Measure T1. This includes one full-time (FTE) Assistant Management Analyst. The remaining staff time equivalent to four FTE's are allocated to the Parks, Recreation and Waterfront and Public Works staff that directly manage Measure T1 projects. The FTE and percentage of total time allocated to each individual supporting Measure T1 projects are estimated on an annual basis. The T1 Administrative Team monitors and updates staff FTE if necessary to ensure that the departments are within their four FTE budget. Labor costs for the T1 Management Team, including the T1 Administrative Team, will not be billed to Measure T1. Project staff time allocations are done through the City's standard procedures process. See specific guidance below:

Direct Project Management Time Allocations

Applies to: All Project Managers

The amount of time that staff allocate on their timecard is based on the proportion of time each one works on a Measure T1 project. For project-specific work (i.e. direct project management), all time is coded to a specific Measure T1 project code.

For example, if a Project Manager is directly managing a T1 project and has a project update meeting with a construction contractor and are directly managing that project, they would code their time to that project's Measure T1 project code.

Unallocated Staff Time

Applies to: All T1 Staff

Unallocated staff time refers to staff time that is not charged to a project code due to general office activities, meetings, trainings, and time off.

In the City's financial system, an employee's payroll default is based on the proportion of time the employee is estimated to work on certain projects. This default is used to ensure that unallocated staff time, such as leave time, is charged based on the employee's work allocation.

For example, an employee is anticipated to spend 30% of their time on projects funded by Measure T1 and 70% on projects funded by other sources. When the employee uses their vacation or sick time, this leave time will be charged at 30% to Measure T1 and 70% to the other funding sources.

Supervision/ Administration/ Planning

For non-specific Measure T1 project work, such as Measure T1 meetings, staff time should be project coded to the assigned project code for supervision/administration/planning.

For example, if a Supervising Civil Engineer has a meeting on a Measure T1 project that they are not the Project Manager of, they should charge their supervision time to the assigned project code for supervision/administration/planning. The project manager of that Measure T1 project should code their time to the assigned Measure T1 project code.

The T1 Assistant Management Analyst will always code their time to the assigned supervision/administration/planning project code because the position is providing general support to the overall Measure T1 program.

4.4.4.2. Project Costs

Project costs are organized according to the individual project budgets that are assigned to a specific project code. This work is largely carried out by contracts (see Section 5 for more details on contract management related to Measure T1 projects).

4.4.4.3. Other Costs

Facility (rent and utilities), equipment, and supply costs associated with carrying out Measure T1 projects are set in the budget for each phase. Professional Services, training, and travel costs associated with carrying out Measure T1 projects are budgeted in each phase. All of these costs are billed to the assigned Measure T1 project code.

4.5. Program Change Management

The T1 Management Team is responsible for ensuring the completion of all Council-approved Measure T1 projects within budget, i.e. the value of bonds sold. This involves monitoring scope, cost, project schedules, and schedule for all projects and making adjustments to ensure that the approved projects are completed.

As the Measure T1 Bond Program progresses, situations may arise where the initial priority list established at the Program Project Selection Phase (Section 4.2) may need to be re-evaluated and revised. Once the T1 Management Team is aware that they will not be able to complete the list of projects, the team will discuss and evaluate next steps.

T1 staff has the ability to make changes at the project-level as long as it does not affect the program level. For example, staff can reallocate underspent funds from one project to another as long as it does not affect the construction of another project or reduce planning and design project scopes to conceptual.

When changes need to be made at the program-level, such as adding/removing a project or changing the project's level of completion, staff will review these options with the Lead Commissions and seek Council's approval to revise the approved list (Section 4.5.2). This process is intended to ensure that any change to the approved Measure T1 project list is made with community input, Commission oversight, and Council approval.

4.5.1. Reprioritization of Projects

This process of reprioritizing projects start with staff evaluating options, then discussion with Lead Commissions. This is important because it can start the community process early enough to prevent delays in spending bond program funds.

The T1 Management Team will prepare and present the revised options for reprioritizing the project list to the Lead Commissions for review and comment. These options will be based on the Measure T1 project selection considerations (See section 4.2).

The Lead Commissions will engage and seek input from the community as well as other Commissions, as appropriate, and provide feedback to the T1 Management Team.

This process revises priorities, but does not change the Measure T1 project list.

4.5.2. Making Changes to the Measure T1 Project List

Council approval is needed to make any change to the Measure T1 project list. Changes could include adding a project, removing a project, or changing the level of completion from a *construction* project to a *planning* or *design* project.

The process for making a change to the project list is summarized in the graphic below.

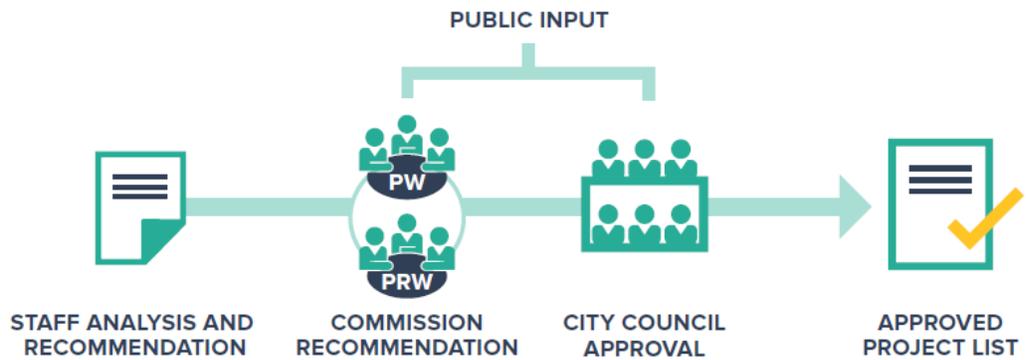


Figure 4. Process for making a change to the Measure T1 Project List

The T1 Management Team will either receive or initiate requests to make a change to the T1 Project List. The process will then be as follows:

1. The T1 Management Team will prepare and present one or more options for changing the project list or project scopes to the Lead Commissions for review and comment.
2. The Lead Commissions should gather public input in order to discuss and make an informed recommendation through a joint report to City Council for action.
3. City Council will take an action on the proposed changes.

4.6. Document Control

To establish the methods for maintaining a set of records that relate to planning, managing, and carrying out Measure T1 activities. The T1 Assistant Management Analyst has overall responsibility for maintaining the document control system.

4.6.1. Filing

Measure T1 records should be retained in accordance with the City's Records Management Program. Program documents will be stored in a central server location. Project specific files are stored in a central server location separate from the Measure T1 program documents.

The Measure T1 Program folder organization includes folders for the Planning and Community Process, Administration, Bond Information, Budget & Planning, commission documents, and projects. (See section 4.2).

The T1 Assistant Management Analyst is responsible for keeping the folders up to date after T1 Management Team meetings, T1 Administrative Team meetings, Commission Meetings, and all reports to City Council.

Project specific files include bids, notices of award, notices to proceed, contract agreements, insurance, change orders, progress payments, retention, acceptance, as-builts, recordation, release of retention, reports, specifications, and other records. Project Managers are responsible for keeping the project folders up to date. Supervising Civil Engineers are responsible for verifying adequate record keeping.

4.7. Communications

The purpose of this section is to document how staff shall communicate internally, with the community, Commissions, and City Council in terms of receiving input and communicating Measure T1's progress.

4.7.1. Communication with the Community

- **Website** - The Measure T1 webpage is the community's primary means of communication for information and updates on Measure T1. The webpage contains background information on the bond program, a story map showing Measure T1 project locations and pictures, project updates, and details on meetings or events pertaining to the Measure T1 program.
- **Community Meetings** - Community meetings will be held to collect input from the community regarding Measure T1 projects. These meetings are communicated to the community via the following channels:

- Measure T1 website under “Community Meetings and Events Schedule,”
 - The City of Berkeley’s community calendar,
 - Distributing mailers to residents within a minimum 300 foot radius from the project site,
 - Notifying Councilmembers about projects in their districts,
 - Meeting notices posted around the project site and other related sites,
 - Public posting to one or more news media websites.
- **Quarterly Reporting** - The T1 Management Team is responsible for preparing summary updates on a quarterly basis. The report is prepared digitally and posted on the Measure T1 webpage.
 - **Email and Written Communications** - Measure T1 staff are responsible for replying to email and written communications it receives related to Measure T1. Emails and written communications shall be saved and stored in accordance with the City’s Records Management Program. For questions, comments or general information, community members can contact T1@CityofBerkeley.info.
 - **Signage** - Signs indicating “Your T1 Bond Dollars at Work” will be posted at project sites during construction.

4.7.2. Communication Amongst Staff

- **Meetings** - Meetings are held internally to monitor, evaluate, and report program progress against expected results. These include:
 - Project Status Meetings – PW and PRW project managers meet regularly with their Supervising Civil Engineer to monitor scope, schedule, and project budget(s).
 - T1 Program Meetings – The T1 Management Team meet monthly to monitor any changes that influence the overall program.
 - T1 Administrative Meetings – The T1 Administrative Team meet monthly to monitor expenditures, program/project budgets, and address any purchasing or budget/fiscal issues that arise.

4.7.3. Communication to Commissions

- **Measure T1 Joint Subcommittee Meetings** - The Measure T1 Joint Subcommittee consists of PW and P&W commission members. Staff will meet with the Measure T1 Joint Subcommittee as needed.

- **Commission Meetings**
 - Planning: Staff will work with the lead commissions to plan the Measure T1 bond program phases.

 - Bi-Annual Report: Staff will meet with the lead commissions during their regularly scheduled commission meetings to review the bi-annual update report before submitting the report to City Council.

 - Project-specific Coordination: Staff will meet with lead and/or participating commissions during their regularly scheduled commission meetings to provide updates and/or seek additional consultation on project-specific coordination.

4.7.4. Communication to City Council

Bi-Annual Reporting - The T1 Management Team is responsible for preparing Bi-Annual reports to City Council. The report is prepared in digital format and is delivered to City Council for review four weeks before the City Council meeting. The T1 Management Team presents the report to the City Council. These reports are also posted to the Measure T1 Webpage.

The report may include program status updates, community engagement, project status updates, coordination, important issues, bond program management, grants, and planning activities.

5. Project Management

The purpose of this section is to provide a general overview of the processes and procedures that apply to projects that are funded by Measure T1 funds. As with all capital improvement projects that fall under the responsibility of PW and PRW, existing City project management guidelines should be followed by the T1 Project Management Staff. The overall goal of project management is to complete projects on schedule, on budget, in accordance with industry standards and best practices, and meet local, state, and federal requirements.

5.1. Project Roles and Responsibilities

The management of each Measure T1 project is directed by qualified⁶ PW and PRW T1 Project Management Staff as discussed in Section 3. These responsibilities include schedule control, finance control, coordination with entities in and outside the City, public outreach, and technical oversight of the design and construction work. Supervising Civil Engineers have the responsibility to supervise project managers.

Project Manager Responsibilities

- Managing project from initial planning through project close-out
- Setting up project resources, budgets, and schedules
- Managing design professionals and consultants providing professional services and project-specific expertise
- Facilitating project meetings and coordination
- Monitoring project scope and requirements
- Reporting schedule or budget variances
- Managing contract changes as required

Supervising Civil Engineer Responsibilities

- Supervising Project Managers and their work
- Providing technical and administrative resources for Measure T1 projects
- Providing administrative and management control

Manager of Engineering

- Overall responsibility for capital improvement project implementation
- Acts as the City Engineer, the City's final licensed civil engineer authority

5.2. Project Control

The controls and the methods for managing the scope, scheduling, and budget of projects funded Measure T1 include:⁷

5.2.1. Scope Control

Scope of projects are developed based on the project's purpose, building code requirements, permit requirements, public benefits, community feedback, and overall cost and value. Project Managers are responsible for reviewing all

⁶ California Licensed Professional Engineers and other design professionals are on staff to ensure that proper design procedures and methods are used on T1 projects

⁷ These procedures are primarily sourced from the Project Management Manual, Revision 3 (2014), Department of Public Works.

feedback, project requirements, and implementing each project consistent with established best practices and appropriate planning and design standards. Project Managers also review scope changes for cost and schedule impacts.

5.2.2. Schedule Control

A project schedule, includes all phases of the project from planning, design, permitting, and through construction (if applicable) will be prepared at the preliminary design stage and updated regularly. The project schedule is maintained by the Project Managers and reviewed regularly by the Supervising Civil Engineers. Project Managers also review schedule changes for impacts to cost.

5.2.3. Cost Control

Project budgets include the total project costs including indirect costs such as staff costs, consultant fees, design fees, surveys, reports, printing, and advertising. Other direct costs may include permits, inspections, and construction (including labor, materials, and equipment). Costs for each project are developed at scheduled milestones using standard best practices adjusted for inflation and current bidding climates. The budgets for each project will be monitored by each Project Manager and reviewed regularly by the Supervising Civil Engineers.

5.2.4. Contract Control

Contract documents are prepared using standard forms and general conditions developed by the City, including the Public Works Department, the Parks, Recreation & Waterfront Department, the Finance Department, the City Attorney's Office, and the City Manager's Office. T1 Project Management Staff are responsible for preparing the project descriptions for Requests for Qualifications and Requests for Proposals, including Invitations to Bid, the Bidding Schedule, Construction Special Provisions, and any other related work. Project Managers are responsible for supervising design and construction contracts. This includes the procedures for progress payments, additional work/change orders, testing, inspection procedures, and acceptance of work.

5.3. Project Change Management

Managing changes to a project's scope, schedule, or budget is performed by the assigned T1 Project Management Staff. The Project Manager is responsible for providing

regular scope, schedule, and cost updates to their Supervising Civil Engineer. The Supervising Civil Engineer and Project Manager evaluate project changes and determine appropriate courses of action if needed. If the Supervising Civil Engineer determines that project changes have program-level impacts, the impacts are discussed with the T1 Management Team and the Program Change Management procedures should be followed (See Section 4.5).

5.3.1. Planning and Design Changes

Project costs are developed at project milestones. During the planning and design phases, the Project Manager and Supervising Civil Engineers have the expertise and discretion to adjust the project scope or schedule. The intent is to align the projected costs with the project's budget, taking into account the project's goals and requirements. Changes in scope or schedule may be escalated to the T1 Management Team for review and discussion when appropriate.

5.3.2. Construction Contingency

T1 Project Management staff generally employ a construction contingency of up to 20% for each project in the construction phase based on the complexity of the project. Construction contingency funds are monitored in individual project budgets along with the full project budget. Project Managers use the project's available construction contingency to fund approved changes to the project as a Construction Change Order (See Section 5.3.3).

5.3.3. Construction Change Orders

Project changes during construction are managed through the City's standard change order process for capital improvement projects. If the proposed Change Order exceeds the project's available construction contingency or may impact the overall project budget, the change is then directed to the T1 Management Team for review, discussion, and approval. If the change impacts the overall Measure T1 Program, changes shall be reviewed under Section 4.5 Program Change Management.

Change Orders must be authorized by the PW or PRW Department Director prior to the commencement of work.

5.3.4. Project Closeout

Projects are closed out according to the City's standard practices for capital improvement projects. All outstanding change orders and all claims are settled

and processed. All project files, including as-built drawings, specifications, project manual, warranties, etc. are filed for storage in accordance with the City's Records Management Program. Any unused Measure T1 funds are liquidated and returned to the Measure T1 Program. Funds shall return to the Program to be utilized under Section 4.5 Program Change Management.

5.4. Community Engagement and Communications

The purpose of this section is to describe the community engagement process for projects funded by Measure T1. A combination of methods are employed to ensure the results of the project provide the greatest public value. This includes a combination of community input opportunities and outreach efforts that communicate the status and progress of projects. The level of outreach efforts can vary depending on the scope and complexity of each project.

A number of community input opportunities and events can be held over the life of Measure T1 projects. Interested parties and members of the public are encouraged to participate. Measure T1 staff collect contact information of attendees at each event, maintain contact lists for each project and provide additional notifications to the general public. The notification process may include the following:

1. Post fliers in public spaces at the project location and posted at the site of the event.
2. Send mailers that include information about the project to addresses within a minimum 300 foot radius of the project site.
3. Send mailers directly to known contacts of interested parties.
4. Send fliers to the City Council representative(s) nearest the project's location.
5. Post information about the project and events to the Measure T1 webpage and a local news media (such as Berkleyside).

Measure T1 staff compiles all feedback. When applicable, changes are incorporated into the project, see Section 5.2 Project Control.

5.4.1. Community Engagement Plan

At the Community engagement meeting(s) an overview of the area impacted by the project, the project scope, and the general schedule may be shared. Input from the community meetings enables project staff to shape the project design and implementation in a way that best responds to community needs.

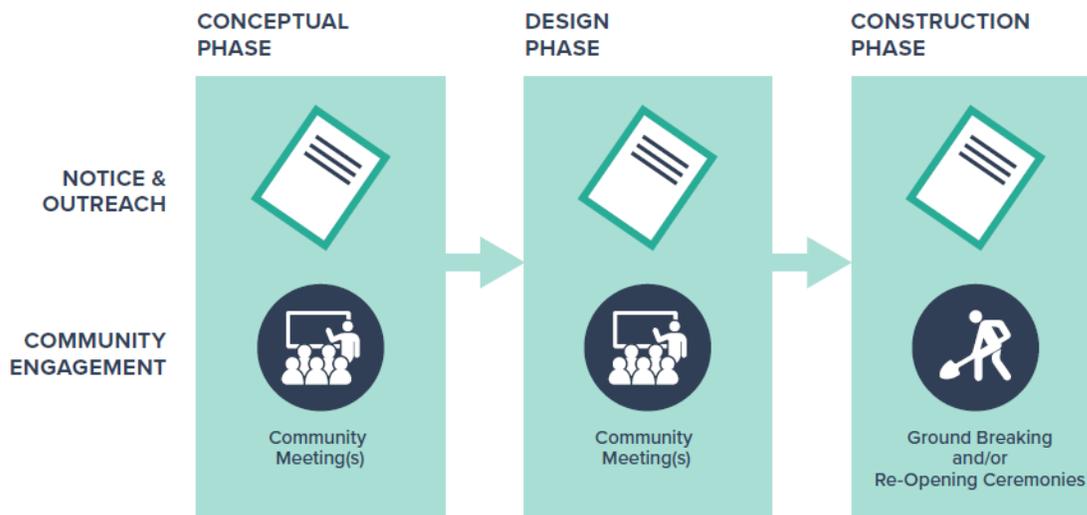


Figure 5, The Elements of Community Engagement for Measure T1 Projects

5.4.2. Community Engagement Plan for Each Project Phase

The community engagement process will span the life of the project across the conceptual planning, design, and construction phases, and can vary with the complexity of the specific project.

Conceptual Phase – At least one session can be held with the community. At this conceptual stage of the project, the purpose is to elicit public preferences and priorities, to inform the public of the preliminary scope and scale of the project, and to start a contact list for the duration of the project. This session will also inform the community about the community engagement process for the project, including other anticipated sessions and the different opportunities and methods to provide feedback to the Measure T1 staff.

Design Phase – At the design stage, more detailed information regarding design decisions, project costs, and construction scheduling will be shared.

Construction Phase – At the construction stage, a groundbreaking ceremony may be planned. Flyers and mailers are sent to the community and posted on the Measure T1 website and include; basic construction hours, contact

information, and any anticipated service disruptions that will occur. Signage is also posted at the project site. At the conclusion of construction, a Re-opening Ceremony may be planned.

5.4.3. Project Updates

Measure T1 staff will provide regular updates on the status of each project. The public is encouraged to check the webpage frequently for the latest information on all active projects.