



**LAND DEVELOPMENT DIVISION  
CAPITAL PROJECTS DIVISION**

**Key Findings & Recommendations**

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## PURPOSE

- Assist City Manager's Office in identifying ways to enhance development services
- Define key issues and challenges affecting Land Development and Capital Projects
  - Recommend steps to enhance processes

# AREAS OF FOCUS

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- Functional Organization
- Staffing
- Workload Indicators
- Resource Management
- Best Practices
- Contracts
- Technology
- Customer Feedback & Process Enhancement
- Management Practices
- Project Management
- Accountability
- Performance Measures
- Communication & Reporting

# LAND DEVELOPMENT DIVISION - STAFFING

## FINDINGS

- Division operating in “all hands on deck” mode
- Reduced staff levels forcing maximum utility of all staff skill sets

## RECOMMENDATIONS

*Establish Baseline Staffing Levels* ✓

- Prescribe core level of in-house expertise
- Future staffing support, as needed, via contracts
- Avoid organizational “boom to bust” trauma

# LD - PRACTICES

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## FINDINGS

- LD does not use any external benchmarks or best practices
- LD does not offer Fast Track review processing via cost reimbursement

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## RECOMMENDATIONS

- Approach UCR's Bourns College of Engineering to explore potential collaboration on Best Practices program for LD ✓
- Create a Fast Track Review process
  - Full cost reimbursement
  - Staff via contracts with local engineering firms

*Under Review*

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## FINDINGS

- No formal feedback processes

## RECOMMENDATIONS

*Under Review*

- Immediately institute formal surveys to obtain feedback
- Use “Mystery Shoppers” to gather data to acquaint staff with what it’s like to be on the *other* side of the counter

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## FINDINGS

- LD provides extensive status tracking of all cases

- RECOMMENDATIONS

- Create automated “Variance Report” to quickly identify processing slowdowns 

- Create monthly statistical summary report for CM/ACM 
  - Flag variances to allow executives to quickly spot successes/problems

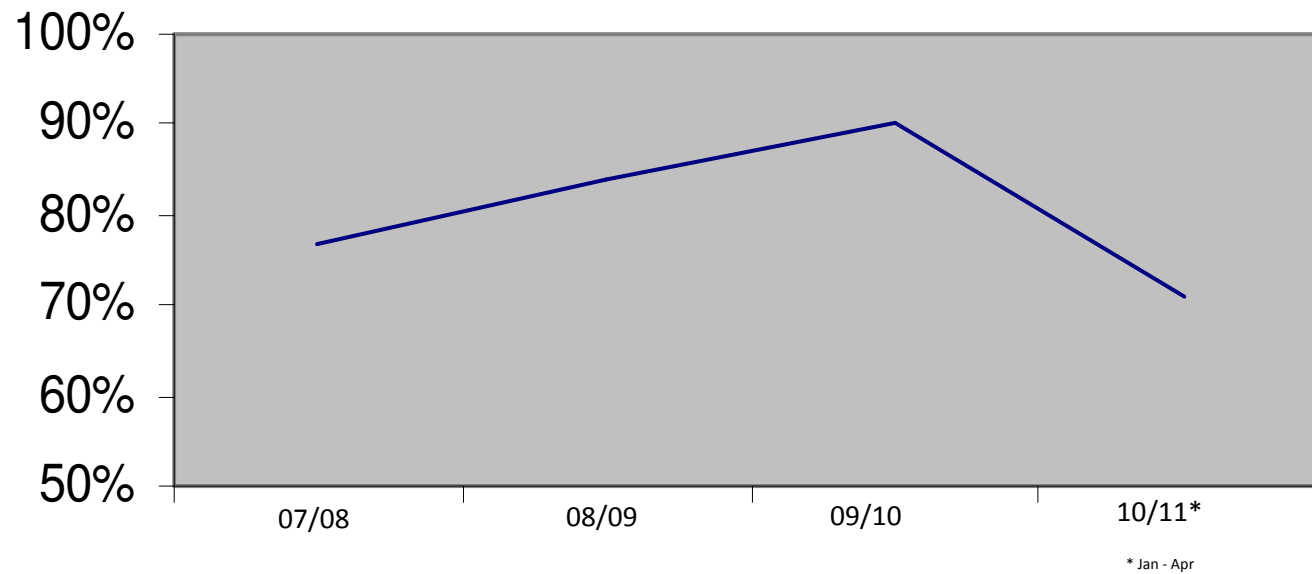
# LD PERFORMANCE MEASURES

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## FINDINGS

- Only 4 timeliness measurements now used
- Stats impressive, helpful...but not comprehensive in scope

## Entitlements Reviewed w/in 2 Weeks



- Fewer staff processing entitlements
- Statistics should be added to LD performance measurements

# Land Development: Budget, Workload, Staffing

## Plan Check & Inspection

Change Since 07/08

Budget Actuals	-53%
Total Project Reviews	-63%
Inspections	-68%
Entitlement Review	-71%
Personnel	-47%

- Workload drops track economic conditions
- Further reductions (below 9 FTEs) would require fee-based augmentation via contract to maintain service levels


# RECOMMENDATIONS

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- Add performance measurement criteria to provide more complete picture of successes and challenges facing LD ✓
- Assign additional support to address Entitlement applications, as needed *Under Review*
- Measure accuracy/quality of plan checks ✓
  - Measure # of comments which do not appear in previous reviews
  - Strive to preclude new comments on subsequent checks

# RESTRUCTURING OPPORTUNITY

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- LD activities tied directly to private development
- Strengthening LD/EDD link consistent with City's *forward lean* to revive local economy
- ***Recast LD as a division within EDD*** 
  - Synchronize vital activities
  - Create Fast Track review process

## **CAPITAL PROJECTS DIV. CULTURE & PRACTICES**

- Professional Engineers as project managers
- Projects managed vertically and shared
  - Vertical enhances accountability (Time, Budget)
  - PW Director appropriately directed return to Vertical method
- Some agencies, firms use experienced project managers vs. engineers

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- **RECOMMENDATION:**
  - Controlled experiment to help City explore use of Project Managers (non-Engineers) ✓
    - Carefully design experiment to ensure equitable scope
    - Consider options for blend of PE, generalist team

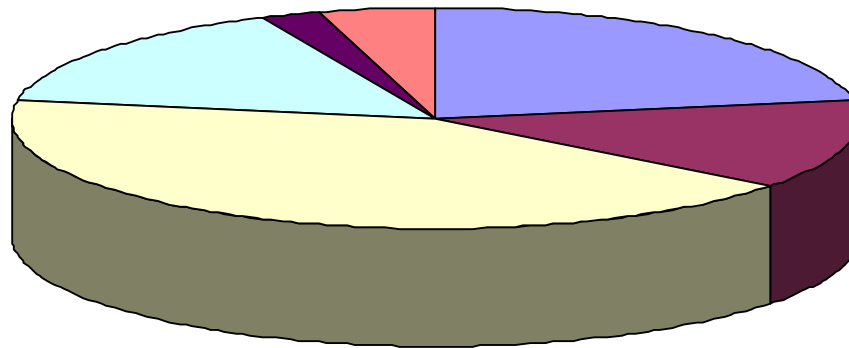
## CP: CONTRACTS

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- On-Call Contracts used extensively in CP
- Work valued above \$250k awarded by RFP
- CPD Policy 2008-01 requires rotation among on-call consultants

## Contracts: Material Testing & Geotech (FY 08/09 - 10/11)

45 Contracts



■ Group Delta   ■ United   □ LOR   □ Ninyo & Moore   ■ Petra   ■ Kling

- Highest usage (On-Call Contract)
- Least balanced usage
  - One firm received 42% of the workload
- Over-reliance on one provider not in City's best interest

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- **RECOMMENDATIONS**
  - Involve key “customer” departments (EDD) on review panel for 2012 RFQ process ✓
  - Update processes to improve balance of assignments to pre-qualified firms ✓
  - Require RFQ respondents (2012) to document ability to accept work from City over term of contract ✓

# CP: GENERAL MANAGEMENT PRACTICES

## FINDINGS:

- CIP provides effective strategic planning direction
- Current plan much improved over prior 10-year plan shaped largely by funding availability

## RECOMMENDATIONS

- CIP should be developed collaboratively between PW and Finance & Admin Services 

## CP: ACCOUNTABILITY

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*Key Question: Are Capital Projects being delivered On Time and Within Budget?*

### FINDINGS

- *No data previously existed to chart individual or Division results in terms of Budget or Schedules*

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## RECOMMENDATIONS

- Track Budget/Schedule performance for all projects ✓
- All CP meetings should discuss ongoing Budget/Time trends ✓
- Project Manager evaluations should include specific reference to delivery of projects within Budget/Schedule ✓

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## RECOMMENDATIONS

- PW Director must take more visible role in review of project status ✓
- Amend project management checklists *Under Review*
  - Qualitative review (to ensure coordination and help preclude oversights)
  - Add risk assessment categories to require PMs to identify and address high risk issues

# CP: PERFORMANCE MEASUREMENT

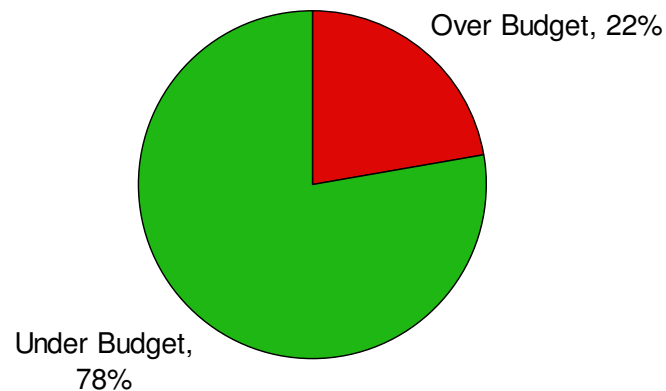
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## BACKGROUND

- CP manages/tracks projects as distinct efforts; no aggregate data collected
- CP staff conducted detail review of project files (3 years) to provide data for this study

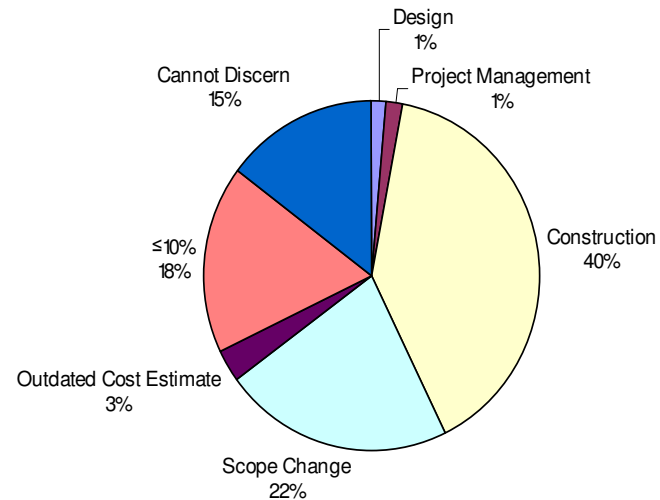
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- 71% of projects were completed (45 of 63)
    - Not uncommon for Design only or Design/Hold
  - Studied key components of completed projects
    - Projected vs. Actual Cost
    - Projected vs. Actual Schedule
    - Ratio of Soft Costs to Hard Costs
    - Scope Change

## Percentage Under/Over Budget (Overall)



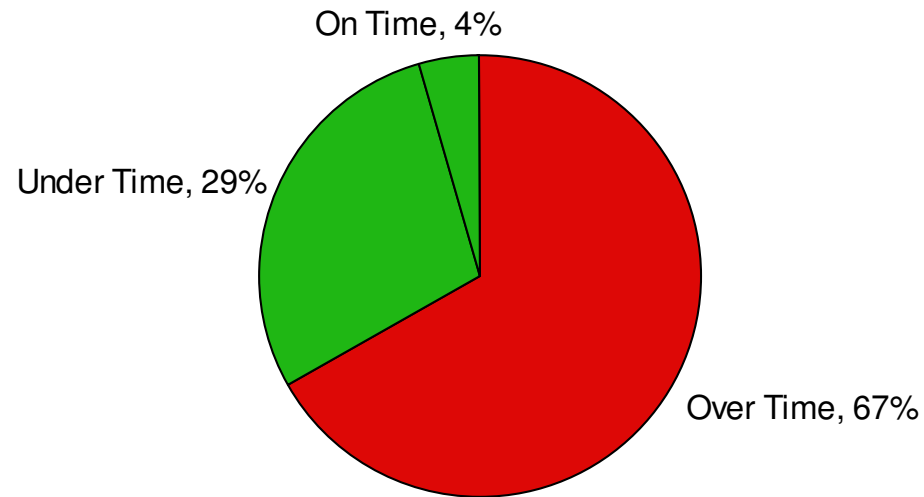
- 78% projects completed within budget
- Noteworthy that budgets sometimes developed years prior to construction

## Under Budget



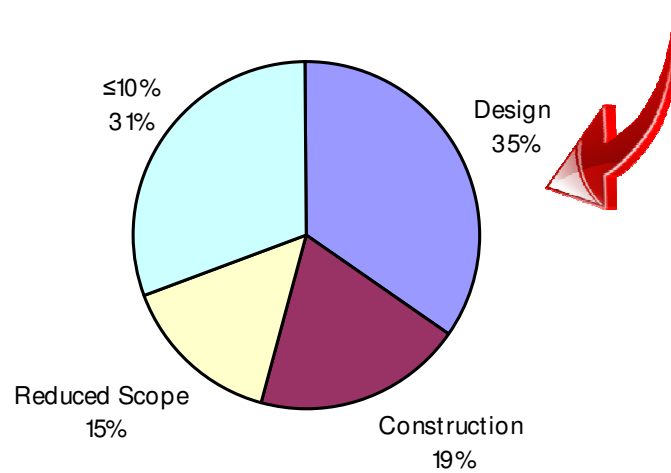
- *Construction costs* most significant element in budget performance
- Recent projects benefitted from competitive bidding climate
- Reflects watchful eye on Change Orders by PMs

## Percentage Under/Over Time (Overall)



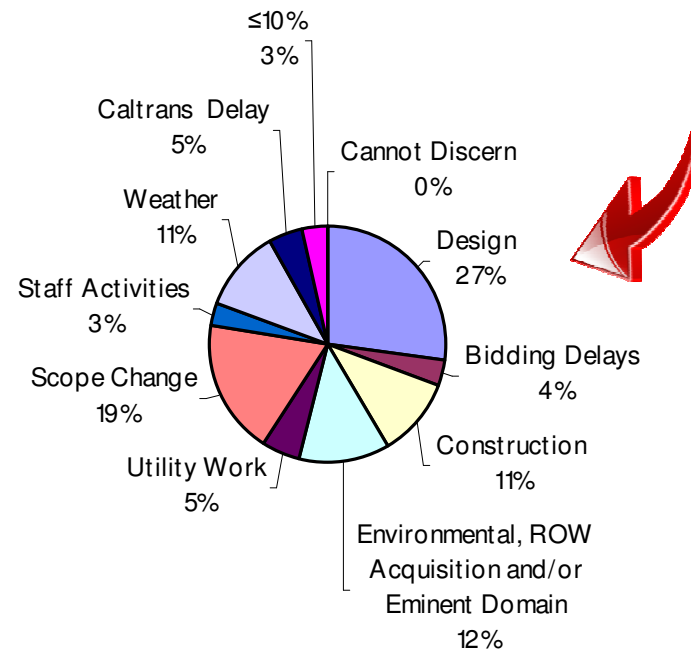
- *67% of projects exceeded schedule*
- 33% on time or early

## Under Time



- ***Design*** single most significant element in timely delivery

## Exceed Time



- ***Design*** single most significant element in untimely delivery
- Scope Change also delayed projects

# DETAILED ANALYSIS: SOFT COSTS

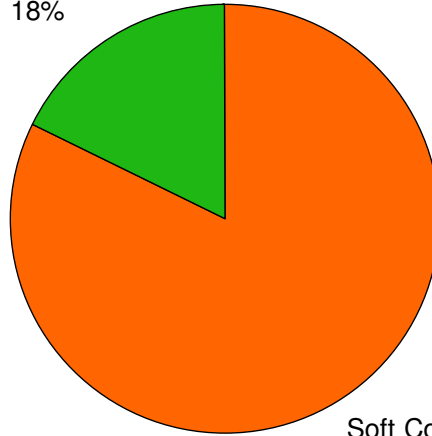
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- Examples: design, construction management, survey, soils/geotechnical testing, inspection, project administration and environmental
- No standard formula applies to all projects
- Design typically 6-15% of construction cost
- Construction Support (Management) often 5-15% of construction cost
- ROW costs vary widely, beyond PM control
- Caltrans goal: 32% (w/o ROW)

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- 33% threshold used in this study (w/o ROW)
  - Soft costs exceeding 33% merit careful examination by the Public Works Director for justification...or corrective measures.

## Soft Costs Under/Over 33% (Overall)

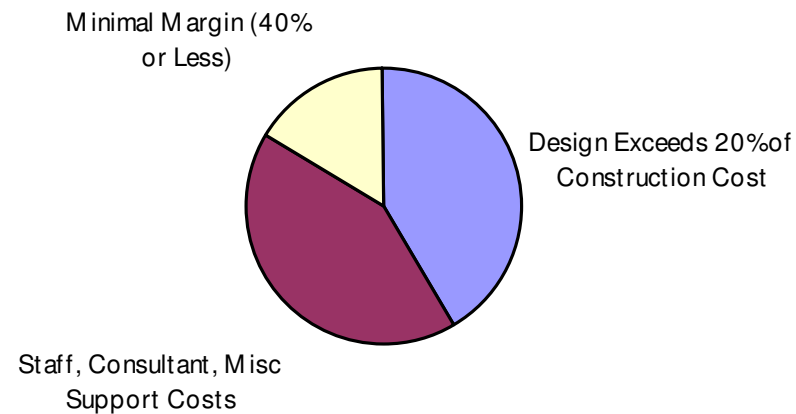
Soft Costs below  
33%, 18%



Soft Costs above  
33%, 82%

- Soft costs exceeded 33% in **82%** of projects

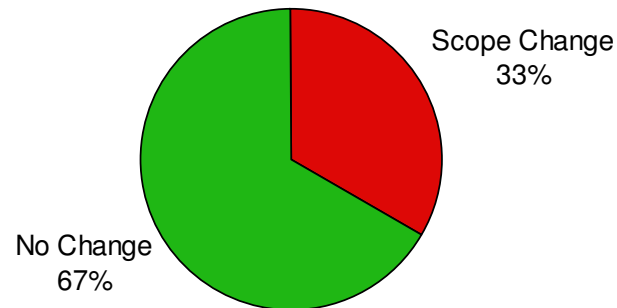
## Soft Costs Exceeding 33%



- ***Design costs*** (exceeding 20% of construction) and ***Staff/Consultant support costs*** are driving soft costs

# SCOPE CHANGES

## Percentage Scope Change (Overall)



- Often beyond PM control
- Reflect policy direction, customer needs
- Most projects not significantly affected

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- Explore use of performance clauses in all Design contracts (for timely completion) ✓
  - Use reports (created for this study) to continue tracking schedule performance on all future projects ✓
    - Use data to apprise CM/ACM of trends
  - Document issues coordinated between PW/EDD (similar to construction team meeting minutes) ✓

# DELAYS TO *ONGOING* PROJECTS

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- Currently: 11 delayed projects
  - Avg delay: 514 days
  - Max delay: 816 days
- Key Factors:
  - Projects Placed on Hold
  - Caltrans processes
  - Construction Delays

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## RECOMMENDATIONS

- CP must focus on Design timelines to improve schedule performance ✓
- Emphasize importance of schedule in all training ✓
- Consider schedule performance in evaluating PMs ✓
- Consider schedule performance in evaluating PW Managers ✓

# CP: COMMUNICATION & REPORTING

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RECOMMENDATION: *Under Review*

- Create high level status report (key projects) for CM/ACM
  - Convey Budget/Schedule/Soft Cost data
  - Create “early warning system” for projects
  - Generate detailed discussion as needed on problems, steps underway to overcome obstacles

# STATUS SUMMARY

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- Public Works, Division Managers fully engaged in study process
- Recommendations being implemented quickly
- Systems being put in place to measure ongoing effectiveness, long-term performance
- City's Development Services will play key role in implementing Council's vision



MORENO VALLEY

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WHERE DREAMS SOAR