

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

0610-03710-0000

Date: November 7, 2014

To: The City Council
The Mayor

From: Miguel A. Santana, Chair 
Street Transportation Projects Oversight Committee (STPOC)

Subject: **DELIVERY OF STREET AND TRANSPORTATION PROJECTS**

SUMMARY

At a Special Meeting on November 6, 2014, the City Streets and Transportation Projects Oversight Committee (STPOC) reviewed, and unanimously approved, a November 5, 2014 report from the Department of Transportation that outlined additional resources required to assist with the delivery of the City Transportation Grant Projects. The report is attached and, hereby, transmitted to the City Council and Mayor for further consideration.

The report addresses the needs of the Department of Transportation (DOT) and the Department of Public Works. The STPOC discussion revealed a near-term need for additional resources for DOT and the Bureau of Engineering (BOE). Additional resources may also be required in the longer-term for the Bureau of Street Services (BSS) and the Bureau of Contract Administration (BCA). The STPOC will continue to monitor the progress of project implementation and report back as required.

Currently, the City is working on approximately 290 street and transportation projects with an estimated cost of approximately \$767 million. This workload is spread across several fiscal years and has existing City staff fully occupied. The STPOC is working with the Departments of Transportation and Public Works to provide accountability and transparency and support project completion. Additionally, the STPOC assists these Departments with troubleshooting issues that affect the City's ability to complete projects.

In the meantime, the City continues to be successful in applying for, and securing, additional grants to fund new street and transportation projects. On August 20, 2014, the City recently received notice of award for an additional 16 projects worth \$65 million from the State Active Transportation Program (ATP), Cycle 1. An additional ATP Cycle is expected early in 2015. Additionally, the City is:

- Preparing to submit more projects in the Metro Call For Projects;
- Implementing the Mayor's Great Streets vision;
- Continuing to seek financial resources to implement pedestrian safety projects and the Bicycle Master Plan;
- Continuing to make progress on a Capital Improvement Expenditure Program that is heavily focused on important public safety projects;
- Increasing the amount of sidewalk repair work around City facilities; and,
- Preparing to restart a sidewalk repair program for sidewalks adjacent to City facilities.

The award of the recent ATP grant projects has created a workload that now exceeds the capacity of existing City staff. As part of that workload, the ATP projects introduce an accelerated project completion schedule that is required as a condition of accepting the grants (ATP funded projects must undergo design, environmental clearance and utility clearance within 13 months instead of 18 to 30 months). As a result:

- DOT and Public Works immediately realigned projects internally so that the most challenging projects (including some ATP projects) are assigned to the most experienced City staff;
- DOT also identified opportunities to improve the productivity of existing City staff through additional training;
- BOE identified opportunities to augment City staff (both existing and new) with the use of contractors;
- BSS identified projects that do not have stringent timelines that could be delayed for one year to accommodate the new workload. (However, delays beyond that time may have a negative impact to the City);
- DOT, BOE and BSS reviewed the workload capacity of critical project support functions (such as survey, signal design, project close-out and accounting) to identify potential bottlenecks and resolve them; and,
- DOT and this Office have started to review the existing City process for project management with the goal of identifying additional recommendations that could assist with efficiently handling future workload.

Even with the adjustments described above, there appears to be a need for additional resources. Therefore, the STPOC approved the DOT request and respectfully submits the request to the Mayor and Council for further consideration with a recommendation to approve.

RECOMMENDATION

That the Council, subject to the approval of the Mayor, approve the attached November 5, 2014 report from the Department of Transportation.

FISCAL IMPACT STATEMENT

There will be an estimated \$2.5 million fiscal impact to the Transportation Grant Fund for fiscal year 2014-15 as a result of these recommendations.

MAS:AMG:061500040


Attachment

CC: Sharon Tso, Chief Legislative Analyst
Doane Liu, Deputy Mayor
Seleta Reynolds, General Manager, Department of Transportation
Kevin James, President, Board of Public Works
Gary Lee Moore, City Engineer
Nazario Saucedo, Director, Bureau of Street Services
John Reamer, Director, Bureau of Contract Administration
David Luther, Interim General Manager, Personnel Department

CITY OF LOS ANGELES
INTER-DEPARTMENTAL MEMORANDUM

Date: November 5, 2014

To: Street and Transportation Projects Oversight Committee
Attention: Patricia Huber, Office of the City Administrative Officer
Matias Farfan, Office of the Chief Legislative Analyst
Greg Good, Office of the Mayor

From: Seleta J. Reynolds,  General Manager
Department of Transportation

Subject: **RESOURCE NEEDS FOR THE DELIVERY OF THE ACTIVE TRANSPORTATION PROGRAM (ATP) CYCLE 1 PROJECT AWARDS**

RECOMMENDATIONS for STPOC subject to the approval of the Mayor and Council,

- 1) Instruct the Departments of Public Works and Transportation to establish a prioritization methodology to prioritize current workload to begin implementation for the 16 projects listed in Attachment 1;
- 2) Authorize the Departments of Public Works and Transportation to act as Project Manager for the 16 projects listed in Attachment 1, including but not limited to management of any Third Party Agreements for engineering design, environmental, landscape architecture, geotechnical and real estate services;
- 3) Authorize resolution authorities and ATP grant reimbursable funding for three new positions for the Department of Transportation (LADOT) and six new positions for the Bureau of Engineering (BOE) as follows, for the period of November 15, 2014 through June 30, 2015, subject to allocation by the Personnel Department and paygrade determination by the City Administrative Officer (CAO):

Department	Qty.	Class Code	Classification	Annual Salary	6-Month Funding
Transportation	1	7280-2	Transportation Engrg Assoc II	93,749	46,875
Transportation	1	7280-3	Transportation Engrg Assoc III	106,050	53,025
Transportation	1	9184-2	Management Analyst II	87,132	43,566
Subtotals	3			\$286,931	\$143,466
Engineering	1	7237	Civil Engineer	115,278	57,639
Engineering	3	7246-3	Civil Engineer Associate III	318,147	159,074
Engineering	1	7310-2	Environmental Specialist II	86,911	43,456
Engineering	1	9184-2	Management Analyst II	87,125	43,562
Subtotals	6			\$607,461	\$303,731
TOTALS	9			\$894,932	\$447,197

- 4) Authorize the Controller to:
 - a. Appropriate \$26,000 within the Transportation Grant Fund No. 655/94, from the Available Cash Balance for project outreach training (\$16,000) and project management training (\$10,000) into a new account entitled, "ATP Training";
 - b. Appropriate \$1,823,500 within the Transportation Grant Fund No. 655/94, from the Available Cash Balance into a new account entitled, "Bureau of Engineering Services" for

survey work (\$300,000), consultant services (\$1.5 million), salaries overtime (\$10,000), office and administrative expenses (\$13,500) and authorize LADOT to transfer funds to BOE as required on a reimbursement basis;

- c. Appropriate up to \$143,466 from the Transportation Grant Fund No. 655/94, from the Available Cash Balance to the Department of Transportation Fund No. 100/94, for work on ATP Projects:

<u>Account</u>	<u>Account Name</u>	<u>Amount</u>
001010	Salaries, General	\$143,466

- d. Appropriate up to \$303,731 from the Transportation Grant Fund No. 655/94, from the Available Cash Balance to the Department of Public Works, Bureau of Engineering Fund No. 100/78, for work on ATP Projects:

<u>Account</u>	<u>Account Name</u>	<u>Amount</u>
001010	Salaries, General	\$303,731

- 5) Request the CAO to review five existing LADOT resolution authority vacancies as follows, for the period of November 15, 2014 through June 30, 2015, and forward recommendations to the Managed Hiring Committee for consideration as soon as possible:

Qty.	Class Code	Classification	Annual Salary	6-Month Funding
1	1523-1	Sr Accountant I	73,205	36,603
1	1513-2	Accountant II	68,361	34,181
1	9184-1	Management Analyst I	73,853	36,927
1	2480-2	Transportation Planning Assoc II	67,553	33,777
1	7278	Transportation Engineer	115,278	57,639
			TOTAL	199,125

- 6) Authorize the City Engineer, the Director of Bureau of Street Services (BSS) and the General Manager of the Department of Transportation, with concurrence of the City Administrative Officer, to make technical corrections required to carry out the intent of the STPOC recommendations, subject to approval of the City Council and Mayor.

DISCUSSION

On May 9, 2014, the City Council approved a list of 26 proposed projects as the City’s priorities for funding in the Active Transportation Program (ATP) Cycle 1 and authorized the respective departments to submit the grant applications. On August 20, 2014, Caltrans announced ATP grant awards with approximately \$65 million for 16 projects in the City of Los Angeles (Attachment 1). The project awards included ten for LADOT and six for BSS. The project expenditures under this ATP grant, coupled with the associated local matches, are 100% reimbursable, including staff labor charges, consultant costs, and contractor costs.

As explained in the memo dated September 29, 2014, the ATP guidelines are extremely aggressive and major milestones need to be met to ensure funds are not put at risk of potential de-obligation. In brief, ATP guidelines require the projects to award a construction contract by December 2016. In order to

accomplish this task and leave the necessary time to get all California Transportation Commission (CTC) and Caltrans approvals, the design must be completed by February 2016.

LADOT - Projects #1 and #2 are LADOT's non-infrastructure projects and, at this time, LADOT is not requesting additional staffing resources to deliver these projects. Projects #15 and #16 received construction-only funds from ATP Cycle 1; design funds were awarded several years ago through a Metro Call for Projects grant. Since the BSS has been providing ongoing design support for these projects, they are near design completion, and BSS has indicated that they can continue to provide the necessary design support to meet the ATP milestones. The remaining six LADOT projects are infrastructure projects that consist of various improvements including, but not limited to, new traffic control devices, sidewalk extensions (bump-outs), traffic circles, and pedestrian-scaled lighting. Four of the six infrastructure projects awarded to LADOT are newly developed Safe Routes to School Projects, while the other two are former Community Redevelopment Agency (CRA) projects that were required to submit ATP applications under Metro's ATP Transition Policy.

BSS - Funds were awarded to four projects applied for under Metro's ATP Transition Policy. One project was applied for as a Safe Routes to School project, and one project was applied for under Metro's First/Last Mile Strategic Plan as a pilot project.

Bureau of Engineering (BOE) – No funds were awarded for any project in this ATP Cycle; however, staff provides significant design and construction management support for many of LADOT's ATP projects.

Resource Needs (LADOT)

The delivery of the six LADOT infrastructure projects, along with the existing grant-funded project workload, requires the immediate implementation of a strategic staffing plan to provide the necessary resources to meet the aggressive ATP timelines. LADOT, as the lead entity on the aforementioned six infrastructure projects, will provide project and grant management, as well as the design support for the related traffic control devices. The BOE Street Improvement Program has agreed to partner with LADOT to provide the necessary support for the civil engineering design, the required environmental documentation, and the construction management.

LADOT's current staffing levels and existing work programs are not able to support the delivery of the new ATP projects within the parameters established by the grantor. LADOT prepared a detailed task-based analysis that clearly demonstrates the need for additional resources to manage both the existing workload and the new ATP workload. Furthermore, recent retirements and the filling of new FY15 positions are generating additional vacancies throughout the department that will continue to erode LADOT's capacity to manage existing programs unless a backfill strategy is implemented. The Office of the Chief Administrative Officer (CAO) has committed to transmit a report to the Managed Hiring Committee requesting that LADOT's blanket authority exemption limits be adjusted to accommodate this request.

To address these issues and minimize the risk of losing any project funds, LADOT is requesting three new positions and the authority to fill five existing positions (one of which is unfunded) and bring back one retired employee on a 120-day contract. These eight positions, along with the temporary support of a retired employee, directly support the delivery of grant-funded projects through project management, contract management, budget management, outreach, design, construction and project close-out. These positions represent the bare minimum additional resources that are needed to deliver the ATP project workload while minimizing liability of funding deadlines of the department's existing projects.

The following details the LADOT staffing request:

Department of Transportation (new positions)

- 1 Transportation Engineering Associate III
- 1 Transportation Engineering Associate II
- 1 Management Analyst II

Department of Transportation (fill existing vacancies)

- 1 Sr. Accountant I
- 1 Accountant II
- 1 Management Analyst II
- 1 Transportation Planning Associate II (unfunded)
- 1 Transportation Engineer

Department of Transportation (training expenses)

- Project outreach training \$16,000
- Project management training \$10,000

Potential Impacts to LADOT's Current Work Program (if recommendations are not approved):

LADOT is currently managing 123 grant-funded projects totaling over \$331 million (not including the ATP Cycle 1 awards). These projects are in various phases, from preliminary engineering to project close-out. An assessment was conducted to determine which of these 123 projects (if any) can be deferred at least one year (with no exposure to risk of de-obligation) that would free up existing resources to manage the ATP projects. Below are LADOT's initial findings:

- Ninety-eight (98) of the 123 projects have federal and/or state funding. Although deferring these projects for up to 1 year may not have significant scheduling issues, deferring these projects will put these projects into an "inactive" state which will put the funds immediately at risk of de-obligation
- Eight of the 123 projects have \$56.3 million of Prop 1B funding to complete the Adaptive Traffic Control System (ATCS) program, and any deferral of these projects would essentially cause the funds to be put immediately at risk. [Central Business District ATSC, Central City East ATSC, Echo Park/Silver Lake ATSC, Los Angeles ATSC, Santa Monica Fwy Ph 2 ATCS, West Adams ATCS, Westwood/West LA ATSC, Wilshire East ATCS]
- Four projects are currently in the agreement-negotiation phase (with funding programmed in FY 14-15) and could possibly get deferred, but Metro approval is necessary.
- Eight new projects that do not have an agreement in place (with funding programmed in future years) could get deferred if approved by Metro.

Even if Metro allows deferral for the projects identified in the last two bullet points above, these actions would not provide sufficient resources to manage the newly approved ATP projects, and continue to manage the existing work program without the potential loss of funding.

Potential Impacts to LADOT's Work Program (if recommendations are approved):

Even if the recommendations in this report are approved, it will be necessary for the department to re-prioritize its existing work program. This is primarily due to the timeliness of filling existing vacancies and new positions, while continuing to deliver its current work programs.

Potential alternatives and impacts for temporary re-assignments to handle project and grant management duties include for the ATP projects include:

- Defer the bid and advertisement of six already-designed projects for up to 12 months. Impact of this deferral is yet to be determined, but current targets have been met to avoid immediate risk of funding de-obligation. [New signals at Oso/Vanowen, Independence/Sherman Way, I-210/Roxford. Pico/Wooster. Pico/Bedford, Laurel Grove/Riverside, Left turn phasing at 7 intersections, and overhead guide sign at 101 Fwy/White Oak]
- Defer two additional projects that are in final design for up to 12 months. Deferring these two projects may require additional start-up time and approval of time extensions by Metro. [Western Avenue Bus Stop Improvements and Main Street Pedestrian Improvements]
- Defer two LANI projects for up to 12 months. These two projects are recently awarded grant projects that may have some flexibility in shifting the schedules, as no federal obligations have been established. [LANI Westlake and LANI Evergreen]

Potential alternatives for temporary re-assignments to handle traffic control design duties:

- Defer LADOT's existing traffic signal design program that provides design services for various DOT initiated traffic control requests. The current backlog for this program is approximately 180 design plans. The completion of these design plans will need to get deferred. Impact of this deferral is yet to be determined, but the majority of the projects deferred have no immediate implementation funding tied to them.

Long-Term Resource Needs (BSS)

BSS is in the midst of a large hiring effort for technical positions in the Off-Budget Program. Given the circumstances, BSS believes it is prudent to fill those vacancies first, and then analyze the proposed work program before proposing new staff positions.

Resource Needs (BOE)

BOE did not receive funding for any projects through this ATP Call Cycle, and as such, did not anticipate requesting additional resources for ATP implementation. However, LADOT requested BOE's Street improvement Group to assist in the delivery of the following 6 infrastructure projects:

- 1) Safe Route to Schools Infrastructure Improvements - Hollywood High School and Selma Avenue Elementary School
- 2) Safe Route to Schools Infrastructure Improvements - Menlo Ave Elementary School and West Vernon Ave Elementary School
- 3) Safe Route to Schools Infrastructure Improvements - Sheridan Street Elementary School and Breed St Elementary School
- 4) Safe Route to Schools Infrastructure Improvements - Dolores Huerta Elementary School, 28th St Elementary School, Quincy Jones Elementary School
- 5) Hollywood Western Pedestrian Improvements (Former CRA Project)
- 6) City of LA Little Tokyo Pedestrian Safety Project (Former CRA Project)

BOE conducted a similar resource assessment of their work program to determine if they have the resources necessary to provide support to DOT's infrastructure projects. Through this assessment, BOE is in a similar position as LADOT, and cannot commit to providing the necessary support for the delivery of these ATP projects without additional resources. Their staffing request is described below:

Bureau of Engineering (new positions)

1 Civil Engineer
3 Civil Engineering Associate III's
1 Environmental Specialist II
1 Management Analyst II

Bureau of Engineering (non positions)

Account 1010/OT	\$10,000
Account 3040/Contractual Services	\$1,500,000
Account 6010/Office Expense	\$13,500
Account No / Survey	\$300,000

In addition to the new positions requested by BOE, this request also includes approximately 9 full time employees' of consultant support for street design, survey (hiring hall), environmental, landscape architecture, geotechnical, and real estate services. BOE staff would be responsible for issuing the necessary Task Order Solicitation, managing the consultant contracts for the civil engineering elements, and managing the projects to ensure completion of the civil design by February 2016. Please note that the total need for contractual services is estimated at \$2.6M; however, only \$1.5M is being requested at this time since this amount is needed for expenses incurred prior to receiving grant reimbursements.

In order to gain at least 2 months in the project delivery schedule, it is also recommended that \$300,000 be provided for the BOE Survey Division to perform the necessary surveys as the initial step in the design process. These would need to be non-grant funds to be spent prior to receiving federal authorization to proceed with preliminary engineering (a.k.a. E-76 Authorization).

This total funding request represents approximately 23% of the total construction cost which is less than the Bureau of Engineering's design template value of 26% for Street Improvement projects. This request did not include costs for managing the construction of these projects which is anticipated to occur in Fiscal Year 2016-2017 and beyond.

Potential Impacts to BOE's Current Work Program (if recommendations are not approved)

The BOE Street Improvement Group currently manages over 50 projects with a total construction cost of approximately \$180M. If the request for additional resources are not made available, BOE reports that approximately \$25M worth of existing active projects which are in the pre-design and design phase will need to be deferred, which will put the funds for these projects at risk.

Potential Impacts to BOE's Current Work Program (if recommendations are approved)

If the recommendations are approved, BOE reports that it will definitely be challenging for existing staff initiate the projects on this expedited time-frame, but the overall objective would be to try and minimize any impact to their existing program.

CONCLUSION

LADOT plans on re-prioritizing their workload to allow experienced staff to handle these ATP-funded projects. This means that the ATP projects will be handled in a manner that will reduce the likelihood of losing ATP funding. To further minimize this likelihood, LADOT is also requesting additional training resources for project outreach and project management to strengthen the skills and increase the productivity of existing staff.