

CITY OF SAN JOSE
2017-2018 ADOPTED CAPITAL BUDGET

CAPITAL PROGRAM PERFORMANCE MEASURES

A set of consistent and comprehensive performance measurements along with targets and goals have been established for the entire capital program. Measures have been established for two key areas: schedule (cycle time) and project delivery costs. In addition, two performance measures regarding Green Building certification, as discussed later in this section, are tracked below.

The following table lists the city-wide capital program performance measures. These measures are designed to provide uniformity and consistency, provide clear and measurable outcomes, and encourage operating City Service Areas and departments to consider total requirements for service delivery, including capital facilities and assets.

City-Wide Capital Program Performance Measures

| Strategic Goals | City-Wide Performance Measures | 2015-2016 Actual | 2016-2017 Target | 2016-2017 Estimate ¹ | 2017-2018 Target | 5-Year Goal |
|--|---|-------------------------|-------------------------|---------------------------------|-------------------------|-------------------------|
| A. Deliver Quality CIP projects on-time and on-budget | 1. % of CIP projects delivered ² within 2 months of approved baseline schedule | 75% (43/57) | 85% | 77% (62/81) | 85% | 85% |
| | 2. % of CIP projects that are completed within the approved baseline budget ³ | 88% (36/41) | 90% | 96% (49/51) | 90% | 90% |
| B. Utilize Green Building design in all public buildings | 1. Cumulative square footage of new and existing municipal buildings certified as green buildings | 2.3 million square feet | 2.3 million square feet | 2.3 million square feet | 2.3 million square feet | 2.5 million square feet |
| | 2. % of new and existing municipal building square footage certified as green buildings | 46% | 46% | 46% | 46% | 55% |

- 1 The 2016-2017 Estimate does not include any Public Art projects which can instead be found in the "Art in Public Places" Appendix.
2 Projects are considered to be "delivered" when they are available for their intended use; projects are considered "on schedule" if delivered within two months of the baseline schedule.
3 Projects are considered "completed" when final cost accounting has occurred and the project has been accepted; projects are considered "on budget" when the total expenditures do not exceed 101% of the baseline budget.

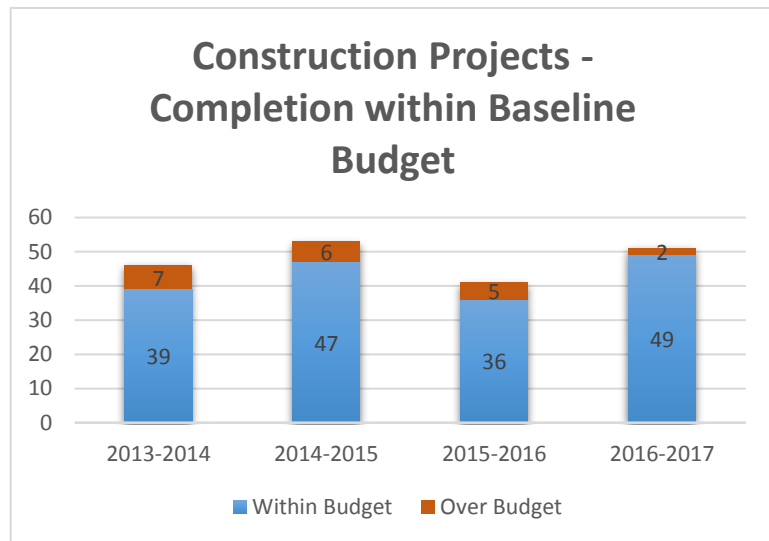
The City has successfully delivered approximately 1,700 capital projects to the community since 2000. With the build-out of the Airport expansion and the Library, Parks, and Public Safety bond programs nearing completion, future project delivery will primarily consist of investments related to replacement and renewal of existing infrastructure. For 2016-2017, City staff is estimated to deliver 81 projects. The notable capital projects delivered in 2016-2017 Shirakawa Center Improvements, Large Trash Capture Device (five locations), and numerous park and playground renovations, trail network additions, sanitary sewer and storm rehabilitations, roadway resurfacing, and pedestrian safety improvement projects city-wide.

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On-time delivery performance measures the percent of projects that are available for their intended use no later than two months after the target date established by the Public Works Department. Of projects delivered in 2016-2017, 62 of 81 (77%) are estimated to be delivered within baseline schedules, falling short of the 85% target.

On-budget performance is measured after all costs have been accounted for and after documentation of project acceptance is filed with the County of Santa Clara. Project acceptance can occur months, or sometimes a year or more, after a project reaches beneficial use due to issues such as the time required to complete punch list items or resolving contractor claims. Of the 51 projects accepted in 2016-2017, 96% (49 projects) have been completed on-budget as compared to project baseline budgets, meeting the 90% “on-budget” performance target.



Staff continues to strengthen the alignment of project scopes, schedules, and budgets, while also accounting for external market conditions that may affect the delivery of capital projects. Staff relies heavily on the cost estimating and tracking tools that are available through the Capital Project Management System (CPMS). These tools allow project management staff to effectively track project costs on an ongoing basis and assist in ensuring that expenditures remain within budgeted levels. Instances in which projects do exceed the baseline budget are typically attributed to schedule-related delays, redesign costs, and additional staff costs needed to resolve unforeseen construction issues.

As part of the ongoing efforts to support San José’s Green Vision, two new performance measures were introduced in 2009-2010. Green Vision Goal #4 is to build or retrofit 50 million square feet of “Green” building space within 15 years. In order to measure progress towards this target, the first performance measure focuses on the cumulative square footage of new and existing municipal buildings certified as “green” buildings. For 2016-2017, the cumulative square footage of new and existing municipal buildings certified as “green” buildings is at the goal of 2.3 million square feet. The second measure focuses on the percentage of cumulative new and existing municipal buildings certified as “green” buildings. In 2016-2017, approximately 46% of the City’s 5 million square feet of building square footage has been certified, below the target of 55%.