

CITY OF SAN JOSE
2012-2013 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	2010-2011 Actual *	2011-2012 Target	2011-2012 Estimate	2012-2013 Target	5-Year Goal
A. Deliver Quality CIP projects on-time and on-budget	1. % of CIP projects delivered** within 2 months of approved baseline schedule	85% (50/59)	85%	77% (43/56)	85%	85%
	2. % of CIP projects that are completed within the approved baseline budget***	91% (41/45)	90%	87% (67/77)	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	1.2 million square feet	1.5 million square feet	1.9 million square feet	2.1 million square feet	2.2 million square feet
	2. % of new and existing municipal building square footage certified as green buildings	32%	39%	46%	50%	51%

Changes to Performance Measures from 2011-2012 Adopted Budget: No

* The 2010-2011 Actual number of projects may vary from the 2010-2011 Adopted Budget Estimate as a result of the date of the estimated beneficial use of the project being revised and the project expected to be delivered in the following fiscal year. Also, the number of projects may change with the inclusion of projects in the 2010-2011 Actual not originally included in the 2010-2011 Adopted Budget Estimate due to incomplete project information at that time.

** Projects are considered to be "delivered" when they are available for their intended use.

*** 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.

As the City closes out the *Decade of Investment*, the vast majority of projects funded by the three voter-approved bond programs from 2000 and 2002 have been delivered to the community. The City has successfully delivered 1,406 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. As a result, the City anticipates that the overall number of active projects will decline in the coming years. For 2011-2012, City staff is estimated to deliver 56 projects. The notable capital projects delivered in 2011-2012 include the Calabazas Branch Library, Watson Park Remediation and Improvements, Paul Moore Park Youth and Tot Lot, Camden Recreation Kid Zoe, Plaza de Cesar Chavez Fountain Repair, and numerous sanitary sewer and storm rehabilitations, roadway resurfacing, and traffic light synchronization 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 2011-2012, 43 of 56 (77%) are estimated to be delivered within baseline schedules, short of the 85% target. Staffing changes on projects already in progress has introduced challenges as new staff work to familiarize themselves with the projects and related processes and procedures. However, the cost estimating and tracking tools that are available through the City's Capital Project Management System (CPMS) is providing consistency and efficiency in this time of transition.

On-budget performance is measured after all costs have been accounted for and after documentation of project acceptance is filed with by 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. Based on available data,

77 projects were accepted in 2011-2012, and included in the on-budget performance calculation, 67 or 87% were completed on-budget as compared to project baseline budgets, slightly below 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 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 City's ongoing efforts to support San José's Green Vision, two new performance measures were introduced in 2009-2010. One Green Vision goal is to build or retrofit 50 million square feet of 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 2011-2012, the City is expecting to exceed its goal of 1.5 million square feet of certified green buildings (new and existing) with 1.9 million square feet anticipated. The second measure focuses on the percentage of cumulative new and existing municipal buildings certified as "green" buildings. To date, 46% of buildings have been certified, exceeding the target of 39%. By tracking performance, the City is exhibiting its commitment to successfully realize its Green Vision initiatives.

Construction Projects -
Completion within Baseline Budget

