

CITY OF SAN JOSE
2011-2012 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.

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 | 2009-2010 Actual | 2010-2011 Target | 2010-2011 Estimate | 2011-2012 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 | 75% (57/76) | 85% | 77% (68/88) | 85% | 85% |
| | 2. % of CIP projects that are completed within the approved baseline budget** | 87% (53/61) | 90% | 91% (49/54) | 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 | 0.80 million square feet | 1.28 million square feet | 1.37 million square feet | 1.57 million square feet | 2 million square feet |
| | 2. % of new and existing municipal building square footage certified as green buildings | 19.9% | 32% | 33% | 39% | 51% |

Changes to Performance Measures from 2010-2011 Adopted Budget: Yes¹

* 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. The 2010-2011 Estimate excludes any Strategic Support CSA data. This measure would apply to two projects in Strategic Support CSA; however, the expenditures were part of a larger project thus staff was unable to identify specifically if the projects were completed within the approved baseline budget.

¹ Changes to performance measures from 2010-2011 Adopted Budget:

× % of operations and maintenance divisions rating new or rehabilitated capital facilities as being functional and sustainable after first year of use" and "% of customers rating new or rehabilitated CIP projects as meeting established goals (4 or better of a scale of 1-5)" were deleted because the data for the surveys is often times limited or not applicable particularly if the project is not constructing or rehabilitating a facility, does not necessarily represent a sufficient sample size, or requires substantial staff time to gather the information.

Performance Measurement Update

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 1,379 projects to the community since 2000, with the build-out of the Airport expansion and the Library, Parks and Public Safety bond programs. However, the City anticipates the overall number of active projects will decline in the coming years. For 2010-2011, City staff is estimated to deliver 88 projects. The notable capital projects delivered in 2010-2011 include the Happy Hollow Park and Zoo Renovation, Fire Station No. 19 Relocation, the Seven Trees Community Center and Branch Library, the Police Substation, the Airport's Taxiway W Extension, and numerous roadway resurfacing and street lighting projects city-wide.

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CAPITAL PROGRAM PERFORMANCE MEASURES

Performance Measurement Update (Cont'd.)

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 expected to be delivered in 2010-2011, 68 of 88 (77%) are estimated to be delivered within baseline schedules, short of the 85% target. The decline in City resources due to the economic climate has resulted in changes in project management and support staff, impacting project delivery timelines. Staffing changes on projects already in progress has also 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 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. Of the data available on 54 projects estimated to be accepted in 2010-2011, and included in the on-

budget performance calculation, 49 or 91% are anticipated to be completed on-budget as compared to project baseline budgets. This is above 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 new performance measure focuses on the cumulative square footage of new and existing municipal buildings certified as "green" buildings. For 2010-2011, the City is expecting to exceed its goal of 1.28 million square feet of certified green buildings (new and existing) with 1.37 million square feet anticipated. The second new measure focuses on the percentage of cumulative new and existing municipal buildings certified as "green" buildings. To date, 33% of buildings have been certified, exceeding the target of 32%. By tracking performance, the City is exhibiting its commitment to successfully realize its Green Vision initiatives.

**"On Budget" Construction Projects -
Completed within Baseline Budget**

