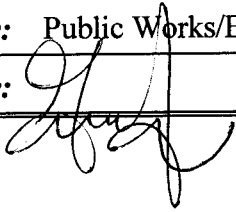




POLICY AND PROCEDURE **SCANNED**

| | |
|-------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| Subject: Project Administration and Issue Resolution | Index: Administration and Policy Management Number: 102-8 |
| Effective Date: October 1, 2008 | Prepared By: Public Works/Engineering |
| Supersedes: n/a | Approved By:  |

1.0 PURPOSE:

To support successful completion of major projects by: 1) promoting effective interdepartmental communication and project management; 2) providing effective communication with City Commissions/Committees, special ad-hoc project advisory committees and the general public; and 3) establishing a method of raising and resolving project issues that may arise.

2.0 ORGANIZATIONS AFFECTED:

All City Departments and Divisions that are responsible for managing or delivering City projects.

3.0 REFERENCES:

Engineering Division's *Administration Policy for City Capital Improvement Projects and Privately Financed Projects* dated May 1989 (refer to Appendix A).

4.0 POLICY:

- 4.1. It shall be the policy of the City of San Clemente to ensure successful completion of approved projects through effective project management, interdepartmental communication, and coordination with City Commissions/Committees, special ad-hoc project advisory committees and the general public.
- 4.2. It shall be the policy of the City of San Clemente to proactively identify and resolve potential project issues at the lowest staff level as possible, and to provide a method for staff to appeal unresolved issues to higher levels without fear of retaliation.

5.0 DEFINITIONS:

- 5.1. Project – a physical improvement to infrastructure or facilities owned by the City, whether new or repair/modification of existing features. As used in this policy, “project” typically would not include equipment or maintenance activities.

- 5.2. Issue Resolution Committee (IRC) – the Division Heads of Building, Planning, Parks, Engineering, Maintenance, and Utilities Divisions, who will convene as needed to hear and help resolve project issues.
- 5.3. Project Coordination Team (PCT) – the group of key representatives from each Department/Division designated to serve as the primary point of contact for receiving and providing project information and feedback for each Department/Division.
- 5.4. Project Manager (PM) – the person designated as the single primary point of contact for a specific project, and who has the primary responsibility for daily management and completion of the project.

6.0 PROJECT MANAGEMENT PROCEDURE:

- 6.1. Project Delivery Process – The major phases for delivering a project are summarized in the flow chart in Appendix B. The emphasis of this policy, and this section, is on project management, coordination and issue resolution. This policy does not focus on the specific steps or actions needed within each major phase of a project—these details are provided in Appendix A.
- 6.2. Project Coordination Team (PCT) – A PCT contact list will be established and maintained, and each Department/Division will be responsible for providing updates when there is a change to its designated contact person.
 - 6.2.1. The PCT shall meet semi-annually to briefly review the status and share information on projects that are in progress.
 - 6.2.2. PCT members are responsible for coordinating with their Division/Department Heads regarding participation and attendance at the semi-annual update meetings.
- 6.3. Assignment of a Project Manager (PM)
 - 6.3.1. It is appropriate and necessary to assign a PM for each project to ensure successful completion of projects. A PM should be assigned as soon as possible after a project has been identified.
 - 6.3.2. As appropriate, the City Manager, Department Heads or Division Heads are responsible for discussing and agreeing on which Department will be the originating Department. The Department Head of the originating department shall assign the PM.
- 6.4. Project Manager Duties
 - 6.4.1. The PM should manage a project from its inception to completion. If there are to be any transfers of project management responsibilities during the project, the originating PM must ensure an orderly transition, and the receiving PM must continue to coordinate as appropriate with the originating Department.
 - 6.4.2. The PM is the primary point of contact on a project, and is responsible for daily management and successful completion of a project, including:
 - 6.4.2.1. Documenting the assignment of PM via a brief memo to the project file.
 - 6.4.2.2. Preparing a project summary at project initiation, to include: goal/purpose, description and scope of work, budget and schedule, and a responsibility matrix (list of other Departments involved, key staff, and their respective roles in the project).
 - 6.4.2.3. Distributing the project summary at project initiation to the Project Coordination Team (PCT).

- 6.4.2.4. Getting project feedback and concurrence from affected Departments.
- 6.4.2.5. Continuing to coordinate projects with the PCT until the project is completed, or until such time that any PCT member indicates to the PM that his/her Department or Division does not need to be involved with the project.
- 6.4.2.6. Sending periodic internal project updates to the PCT to inform Departments/Divisions of the status of projects that the City is working on.
- 6.4.2.7. Identifying internal and external stakeholders, and coordinating with those stakeholders as appropriate (e.g. the public, existing or special ad-hoc committees etc.). It is important to get public input early in the project and incorporate this input into the project design as appropriate and feasible. The PM shall define roles, set limits and manage expectations. The PM is responsible for ensuring that a project meets its intended goals while considering public input. The PM shall resolve any conflicts between the two as early in the process as possible, but not later than the design stage. As appropriate, the PM should "review" the design with the public to ensure that project goals are satisfied.
- 6.4.2.8. Managing budget, schedule and other related issues (e.g. ensuring project meets intended purposes and complies with approved plans etc.). The PM shall allocate adequate budget to account for time by staff in other Departments.
- 6.4.2.9. Resolving issues/conflicts that may arise (e.g. conflicting requirements/needs among Departments or City/public input conflicts). See Section 7.

7.0 ISSUE RESOLUTION:

- 7.1. Occasionally there may be issues that arise in the course of implementing a project. Addressing and resolving such situations shall always be about the actual project issues, and not about people or personality conflicts.
- 7.2. Anyone who identifies a project issue or conflict has a duty to inform the designated PM, who in turn has the duty to address and resolve the issue.
 - 7.2.1. Upon notice of an issue, the PM shall first review the project purpose and scope of work with appropriate project team members to ensure that the team is focused on the same issue and working toward the same goal.
 - 7.2.2. The PM shall facilitate negotiation and discussion of issues with the project team to find a solution that is acceptable to all affected Departments/Divisions and also consistent with the project purpose. All parties shall make good faith efforts toward addressing the issues raised to result in a project that is best for the City. All parties should consider completely new project alternatives if appropriate for addressing the project issues raised.
 - 7.2.3. The PM shall document resolution of the issue in writing for the project file.
 - 7.2.4. If agreement/resolution can't be reached, the PM and the concerned Departments/parties are responsible for elevating unresolved issues to the

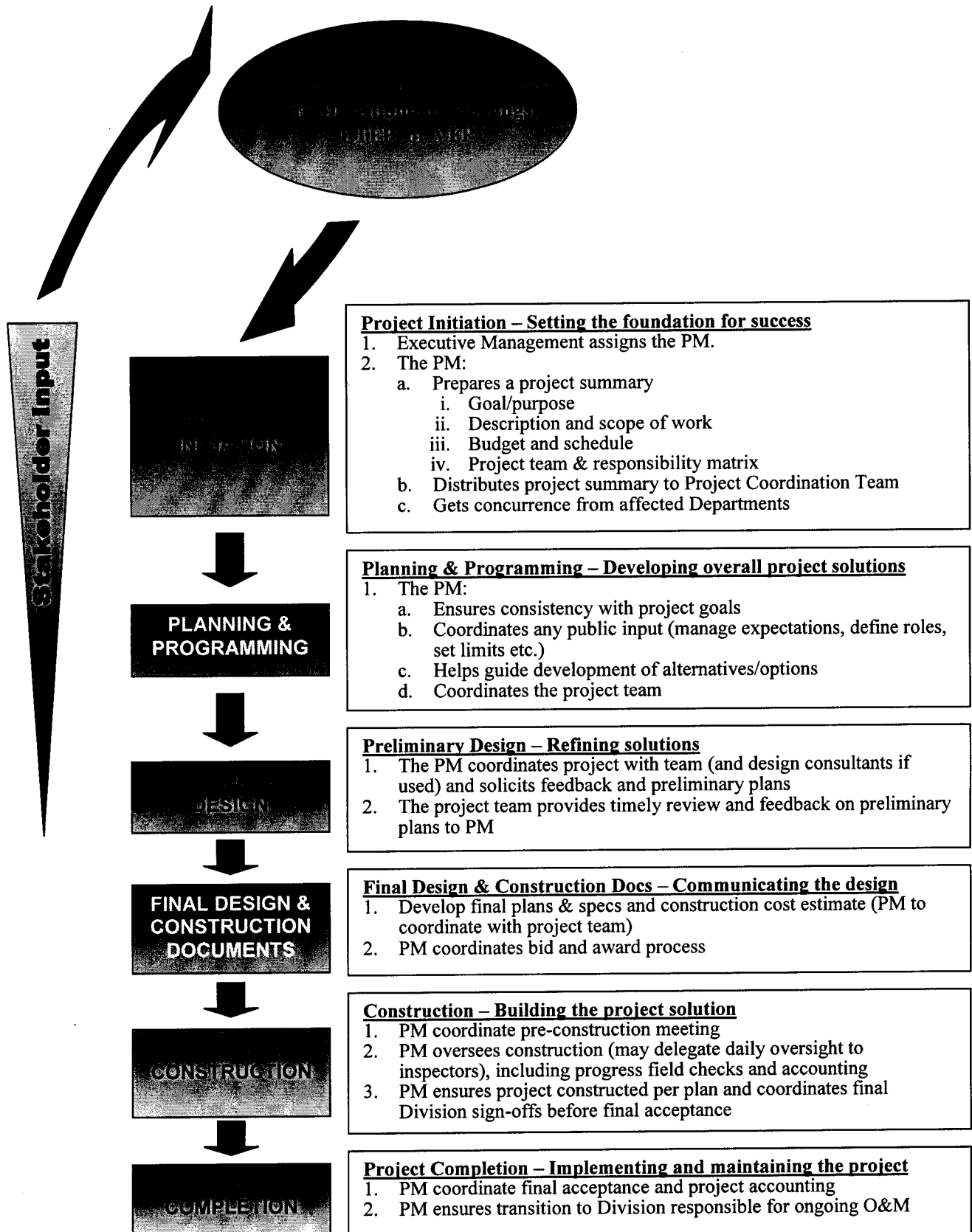
Issue Resolution Committee (IRC). The PM shall inform project team members that the unresolved issue(s) will be forwarded to the IRC for further review and consideration.

- 7.2.5. Any project team member may also request IRC review if he/she believes that that an apparent issue resolution is not appropriate.
- 7.3. When asked by the PM or another staff member, the Issue Resolution Committee (IRC) will convene to consider the issue and differing viewpoints.
 - 7.3.1. The PM is responsible for coordination needed to convene the IRC.
 - 7.3.2. The PM shall facilitate negotiation and discussion of issues with the IRC to find a solution that is acceptable to all affected Departments/Divisions and also consistent with the project purpose. All parties shall make good faith efforts toward addressing the issues raised to result in a project that is best for the City. All parties should consider completely new project alternatives if appropriate for addressing the project issues raised.
 - 7.3.3. The IRC will document its decision in writing for the project file.
 - 7.3.4. If agreement/resolution can't be reached, the PM and the concerned Departments/parties are responsible for elevating unresolved issues to the City Manager, who shall have the authority to direct a resolution or to seek further direction from the City Council.
- 7.4. All staff, including Division and Department Heads, agree that there shall be no retribution, retaliation or other similar actions to project team members for raising questions or appeals on project issues.
- 7.5. All staff agree to appropriate use of this issue resolution and appeal process so that the focus remains on addressing legitimate project issues rather than personality clashes or Departmental "territory" clashes.

APPENDIX A

**ADMINISTRATION POLICY FOR
CITY CAPITAL IMPROVEMENT PROJECTS
AND PRIVATELY FINANCED PROJECTS
May 1989**

APPENDIX B PROJECT DELIVERY FLOW CHART



CITY OF SAN CLEMENTE
CALIFORNIA



ADMINISTRATION POLICY FOR
CITY CAPITAL IMPROVEMENT PROJECTS
AND PRIVATELY FINANCED PROJECTS

MAY, 1989

TABLE OF CONTENTS

CAPITAL IMPROVEMENT PROJECT ADMINISTRATION POLICY FOR CITY AND PRIVATELY FINANCED PROJECTS

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| Categories of Project Administration | Page 1 |
| Category A - Privately Financed Projects | Pages 1, 2, 3 |
| Category B - Projects from Other Departments and Divisions (Street, Water, Sewer, Parks & Recreation, Fire, Police, Marine Safety, et al) | Pages 4, 5, 6, 7 & 8 |
| Category C - Projects from Engineering Division | Pages 8, 9, 10 |
| Processing Flow Diagram "A" | Page 11 |
| Processing Flow Diagram "B" | Page 12 |
| Processing Flow Diagram "C" | Page 13 |
| Exhibit "A" - Change Order Policy | Page 14 |

**CAPITAL IMPROVEMENT PROJECT
ADMINISTRATION POLICY FOR CITY
AND PRIVATELY FINANCED PROJECTS**

The categories of project administration discussed here are:

- A. Privately Financed Projects
- B. Projects from Other Departments and Divisions (Street, Water, Sewer, Parks & Recreation, Fire, Police, Marine Safety, et al)
- C. Projects from Engineering Division

A. PRIVATELY FINANCED PROJECTS

Subdivision and other privately financed (commercial, industrial, recreational, etc.) are in this category. The procedural steps are as follows:

1. Plan Checking & Review

- a. The Project Engineer from the Engineering Division is responsible for making certain that various City departments and divisions (Water, Sewer, Parks, Police, Fire, etc.) have reviewed and checked the development plans submitted by the developers before the plans go to the consultants for plan checking. The City usually engages consultants in plan checking improvement plans from developers. The consultant's service fee plus City overhead is paid by the developer.
- b. Various City divisions shall return their comments to the Project Engineer within the time frame allocated to them. The consultant plan checker shall address the various concerns of the various City divisions. The plan checker may call the contact person or persons in various City divisions for clarification or verification of the division's concern.
- c. Each City division shall assign a responsible contact person that keeps liaison with the Project Engineer and plan checker. That contact person shall follow through and make sure the concerns are reflected on the final plans. This is the most important phase in the control of development as it is difficult to change the plans once it is awarded for construction. The City will normally have to abide by whatever is reflected on the final approved plans. It is each department's and division's responsibility to allocate adequate manpower and time for this purpose.

- d. It shall be the responsibility of the Project Engineer to consult and obtain approvals from affected divisions or departments regarding any subsequent revisions of the original construction plans.
- e. The developer shall engage a contractor to construct the improvement.

2. Preconstruction Meeting

- a. The developer's contractor shall request a preconstruction meeting with the City at least one (1) week in advance of construction. No work shall commence until a preconstruction meeting is conducted.
- b. It shall be the responsibility of the Project Engineer to notify all City departments and staff that are involved in the project, including the inspection team, Traffic Engineer, Fire, Police Department and Public Services Departments and any subconsultants of the preconstruction meeting. Utility companies will also be notified of this meeting.
- c. The Project Engineer shall take minutes of the meeting and shall identify the responsibilities of key personnel. The Project Inspector will be the City's contact person with the contractor during the construction.

3. During Construction

- a. During construction, the various divisions may make periodic progress checks. Any comments or concerns during the progress of the construction shall be relayed only to the Project Inspector. In no case shall the division's staff instruct or direct the contractor on what to do in the construction unless it is an emergency or life threatening situation. This is a necessity if the City is to maintain proper control of construction projects.
- b. Before any work is accepted by the City, the Project Inspector will arrange for a walk-through with various divisions to generate a "punch list" for the contractor. If there is a Homeowners Association in the development, the Association shall be asked for any concerns they have with improvements constructed by the developer.
- c. The Project Inspector shall give the punch lists (collection of correction lists from various divisions) to the contractor.

- d. Once the Project Inspector is notified by the contractor that corrections are completed, he and the concerned division or divisions shall again walk through and review their correction lists. If there is a disagreement as to acceptance of any work items between the Project Inspector and another City department's or division's staff, a meeting will be arranged with the City Engineer to resolve the disagreement. If agreement cannot be reached, the matter will be taken to the City Manager for final resolution.
- e. Time is of the essence in accepting the project, as the City may be subject to potential litigation if unreasonable time has lapsed before acceptance is made on the project. Each City division shall make an honest and concerted effort to resolve problems for the acceptance of the project.

4. Bond Release

- a. The Project Engineer and Project Inspector shall review the construction items that are bonded to make sure they are constructed according to the bond agreement, check submittals such as "as built" plans and make sure guarantees are in place.
- b. The Project Engineer prepares an Administrative Report for the City Engineer for acceptance of work and recommendation for the release of bond and/or substitution of bonds. Grading bonds are released by the City Engineer.

5. Acceptance

- a. *Where appropriate, the Project Engr shall request input & sign-off of Homeowners Associations that ultimately will own & maintain improvements.*
The City Engineer recommends the acceptance of the work and files Notice of Completion.
- b. The appropriate bonds are released - performance, maintenance - at the proper time.
- c. The Project Engineer will use a tickler file to make certain that all affected parties are notified at least one month prior to expiration of the mandatory warranty or maintenance period. Any comments or requirements must be received prior to the expiration date.

→ If it's staff's ~~beliefs~~ opinion that approval is being unreasonably withheld by the HOA, the City Engineer shall be notified ~~for~~ for a determination as to whether to take the project ~~acceptance~~ to City Council for acceptance with the HOA's objections noted.

B. PROJECTS FROM OTHER DIVISIONS (STREET, WATER, SEWER, PARKS & RECREATION, FIRE, MARINE SAFETY, POLICE, ETC.) ADMINISTERED BY THE ENGINEERING DIVISION

The Centralized Capital Improvement Project Management Program was created so that the Engineering Division would assume responsibility of contract administration and inspection of capital projects within the City. Under this program, the Engineering Division will:

- ▶ assist in the final review of plans, specifications and contract documents;
- ▶ put the project out to bid and prepare the Administrative Report for bid award; and
- ▶ perform necessary contract administration and inspection to properly construct the project.

The Engineering Division's goal is that Capital Improvement Projects are properly designed and constructed. The Engineering Division understands that lead departments responsible for capital improvements do not always have the experience or expertise in capital improvement project management. It may be desirable to have the Engineering Division and/or other appropriate division (i.e., Building) to become involved at the earliest stages of a project. This does not necessarily mean acting as Project Manager, but more as technical support to the lead department. If a project is not properly designed, it will be difficult to build a quality project or it will be more costly if change orders are required to correct deficient designs.

The Engineering Division could assist in reviewing the design consultant's contract and scope of work. If a project is to be successful, it is essential that there is a comprehensive scope of work listing the design consultant's responsibilities. For example, if expensive structural slabs or buildings are to be constructed, it will be necessary to prepare a soils report with recommendations for foundations and slabs.

The Engineering Division and other affected division should be involved at the early design stages to give their input so that the designer designs a final product that will meet all the City's standards and be of a quality we are willing to accept.

Normal City procedure used for privately financed projects will also be used for City Capital Improvement Projects; i.e., soils reports, compaction tests, building plan check, etc.

If the Engineering Division believes the design to be inadequate or not enough backup information, such as soils reports, design calculations, etc., the Engineering Division will document its concerns and suggestions with the lead department. If there is no agreement between the lead department and the Engineering Division, the Engineering Division may consider appealing to a higher authority for final resolution.

The Engineering Division does not accept the responsibility for any one else's design, even if the Engineering Division does plan review and advertises the project for bid. The designer is responsible for the design of his/her project. That is why it is essential the City hire a consultant who is competent and provides a scope of work sufficient to get the job done right.

Maintenance contracts (related to maintenance of buildings, landscaping and other City properties), service type contracts, supplies and equipment contracts shall be handled directly by each division or department. The Engineering Division will not be involved in their administration. Engineering input and advice may be requested during stages of contract administration.

Emergency contracting is not included in this discussion. These types of contracts shall be handled directly by the responsible division or department in close consultation with the City Manager's office.

The procedural steps are as follows:

1. Authorization

The head of the department requesting Engineering Division assistance on Capital Improvement Projects shall submit a memorandum in writing to the City Engineer describing the project, supplying account numbers, designating a Project Manager and authorizing the Engineering Division to proceed.

2. Plan Preparation, Review & Checking

- a. Unless other arrangements have been made with the Engineering Division, the requesting division shall be responsible for selection of consultants, coordinating the plan preparation, plan review by other divisions and agencies, and obtaining necessary permits and approvals. They are also responsible for engaging a design consultant to prepare the plans and securing funding for their projects. If requested, the Engineering Division may provide input during consultant selection and plan preparation. The Engineering Division will review plans,

specifications and bidding documents to make certain proper bidding forms are used and general requirements of state and municipal bidding codes are included. The Engineering Division will not provide detailed plan and specification review in types of construction for which it is not normally responsible for designing, such as building, structural slabs, landscaping and irrigation projects. The Engineering Division will assist in the bidding process, reviewing bids and will be responsible for preparing the Administrative Report for bid award.

3. Preconstruction Period

- a. The Engineering Division will provide contract administration and inspection services on capital improvement projects. Plans, specifications, estimates, funding, account, permits and other documents shall be forwarded to the Engineering Division.
- b. The Engineering Division will arrange a meeting with all City divisions involved in the project. In this meeting, clarification of issues, critical areas of concern, charges of time, permit fees and other strategy in prosecuting the work shall be discussed.
- c. After the City Council awards the contract, the Engineering Division shall send contract documents to the contractor and will arrange for a preconstruction meeting. This is the time to clarify provisions of the plans and specifications, concerns and restrictions of each division. The Project Engineer will take the minutes of the meeting and provide copies to attendees. The contractor shall be notified, at this point, of the Project Inspector who shall be designated as the City's only contact person.

4. Construction Period

- a. During construction, the various divisions may make period progress reviews. Any comments or concerns during the progress of construction shall be relayed to the Project Inspector, who will act immediately on these concerns. The concerned division shall not directly instruct the contractor on any correction, but avail the proper channel through the Project Inspector.
- b. The requesting department head shall designate a Project Manager who will be responsible for monitoring and approving the progress of work, cost control, extra work or change orders. If the Project

Manager wishes to make modifications or alterations to the project, he or she shall notify the Project Engineer and City Engineer to find the best means to go about the changes. It should be noted though that the changes at this time are usually expensive and costly and should be minimized.

- c. The department whose budget is affected by change orders shall approve the extra cost prior to a change order being issued, except in an emergency or a situation that requires an immediate decision to negate the potential of a claim for delay. The concerned department or division should note that there is an adopted City policy concerning Change Order or Extra Work Order (see Exhibit "A"). The City Engineer together with the Community Development Director and City Manager have authority to approve Change Orders or Extra Work Orders during construction up to a certain amount depending on project cost. This policy was designed to solve the problem of unnecessary delays in the construction which otherwise could be charged to the City. A copy of the Change Order or Extra Work Order shall be furnished to the requesting department or division as soon as possible for their information.
- d. Before any work is certified as complete by the Project Inspector, he/she shall arrange for a walk-through with various divisions to generate a "punch list" (correction listing of all work items covered under the contract) for the contractor.
- e. After the contractor has made all the corrections in the punch list, the contractor shall notify the Project Inspector of its completion. A sign-off from various divisions shall be obtained by the Project Inspector before he makes recommendation for acceptance of the work. If there is a disagreement regarding the sign-off of certain items of work by the Project Engineer and the concerned division, a meeting will be scheduled with the City Engineer to resolve the issue. If there is no agreement, the issue will be taken to the City Manager for final resolution.

5. Acceptance of the Project

- a. Acceptance of the project by City staff shall be made on a reasonable time frame as possible. Efforts shall be made to resolve questions as quickly as possible. Experience has shown that delaying acceptance

of the project can result in costly litigation and take a lot of staff time.

- b. After sign-offs are obtained from the various divisions involved in the project, the City Engineer recommends to the City Council the acceptance of the project and filing of Notice of Completion with the County Recorder.

6. Cost Accounting

- a. Project cost accounting shall be provided by the Project Engineer to the requesting department or division. The accounting shall show all project costs incurred during construction, including construction, contract administration, engineering and inspection costs.

C. ENGINEERING DIVISION PROJECTS

Procedural steps are as follows:

1. Plan Checking & Review

- a. Utility companies, including the City's Sewer and Water Divisions, shall be contacted during the preliminary planning of the project. The Parks and Recreation Division shall be contacted regarding the landscaping portion of the project for input. Preliminary plans shall be distributed to various divisions for comment before plans are finalized. Subsequent revisions from original construction plans, which will affect other divisions or departments shall be approved by the affected division or department. The Street Division shall be informed of projected street projects so that the maintenance schedule on those streets can be adjusted. A sign-off sheet shall be circulated to affected City Divisions (Street, Water, Sewer, Parks, etc.) before final plans are signed. When potholing or utility relocations are necessary, Engineering Division staff will work with the appropriate City Division or utility company to determine who will do the work and when it will be done.
- b. Staff will request City Council's authorization to advertise the project for bidding after plans, specifications and estimates for the project are completed.
- c. The recommendation to award the contract shall be made to the City Council by the City Engineer.

Planning?

2. Preconstruction Period

- a. Once the City Council awards the contract, the Engineering Division will send the contract documents to the contractor. A preconstruction meeting shall be scheduled with the contractor, City divisions and utility companies. All City divisions and utility companies which may be involved in the project shall be notified of the meeting. Clarifications, responsibility, methods, safety, access and other concerns are discussed at this meeting. Minutes of the meeting shall be recorded and copies of the minutes will be distributed to all attendees.

3. During Construction

- a. During the progress of the construction, other City divisions (Street, Sewer, Water, Parks, Recreation, et al) may be asked to assist the Engineering Division in locating utilities and providing other emergency services not anticipated in the construction. It is not the intent of these services to relieve the contractor of his responsibility to perform his contract. It is requested that the assisting division give priority to this construction phase since delay claims or health and safety threatening situations can be involved at this point.

4. Sign-Off from Other Divisions

- a. Before a punch list is generated, the Project Inspector shall walk through with the affected City divisions for their comment and sign-off. Their comments and discussion shall be based on the provisions of the plans and specifications. The contractor is expected to only perform what is called for in the plans and specifications. Deviating from the plans and specifications may result in a change order.
- b. A punch list shall be prepared by the Project Inspector after collecting the correction lists from various City divisions. He shall deliver this list to the contractor as soon as possible for immediate action.
- c. The contractor shall notify the Project Inspector in writing that the punch list work is completed.
- d. The Project Inspector and the affected division(s) shall again walk through and go through their correction list to verify if work items have been completed in a satisfactory manner.
- e. If there is a disagreement regarding the sign-off of certain items of work by the Project Engineer and the concerned division, a meeting will be scheduled with the City Engineer to resolve the issue. If there is no agreement, the issue will be taken to the City Manager for final resolution.
- f. After the sign-off from other divisions are obtained, the Project Engineer prepares a memo to the City Engineer recommending acceptance of the project.

- g. The City Engineer recommends the acceptance of the project to the City Council and filing of Notice of Completion with the County Recorder.

6. Release of Retention

- a. Retained monies from the contractor (usually 10%) shall not be released until 35 days from the City Council's acceptance of the project.

7. Cost Accounting

- a. Project cost accounting shall be provided by the Project Engineer to the requesting department or division. The accounting shall show all costs incurred during construction, including construction, contract administration, engineering and inspection costs.

NOTE: There are minor variations to these generalized procedures depending upon the requirements of the grant funding (Federal or County grant). The rules and regulations to the grant funding also change from year to year. However, the general procedures will apply in any case.

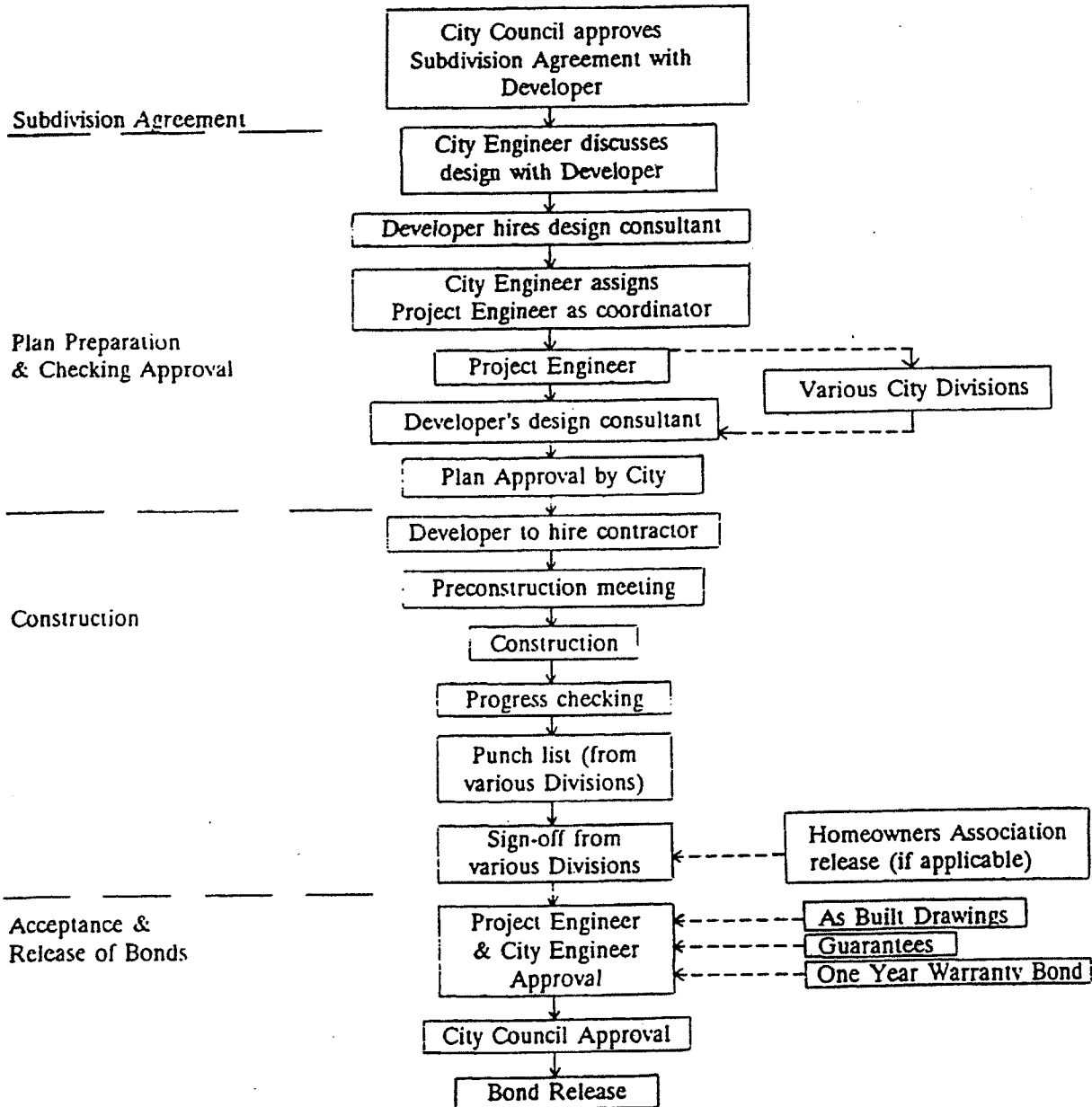
GBF:lls

05/09/89

PROJECT.POL

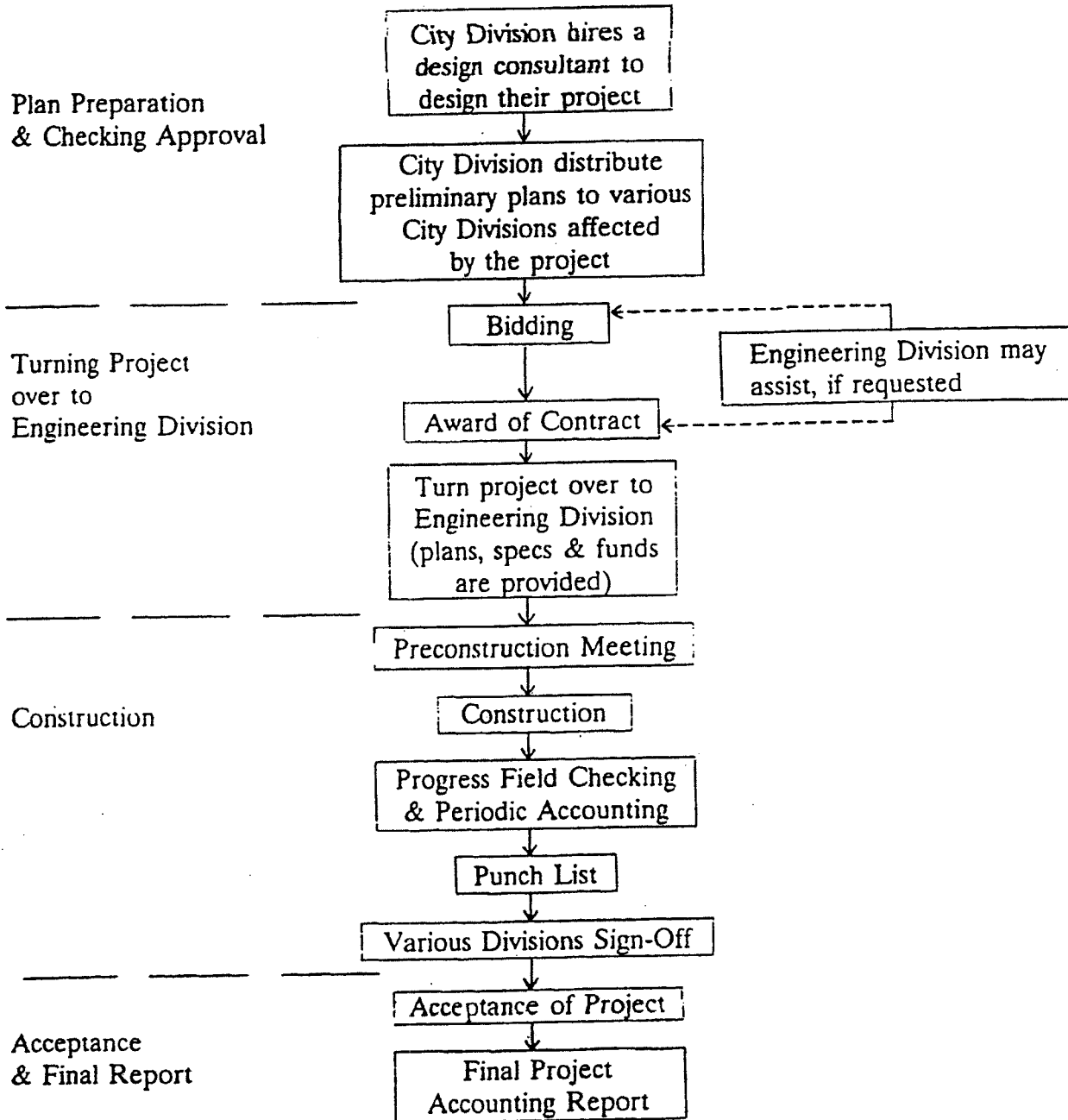
PROCESSING FLOW DIAGRAM

A. PRIVATELY FINANCED PROJECTS



PROCESSING FLOW DIAGRAM

B. PROJECTS FROM VARIOUS CITY DIVISIONS (other than Engineering Division)



PROCESSING FLOW DIAGRAM

C. PROJECTS FROM ENGINEERING DIVISION

