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BPC Policy No. 130

SUBJECT: MAJOR MAINTENANCE PROGRAM

PURPOSE: To establish a policy for the orderly maintenance of the capital assets of the San Diego Unified Port District (District) through a Major Maintenance Program Policy.

PREAMBLE: The District has a responsibility to provide for the orderly maintenance of the lands and capital assets under its jurisdiction for the execution of its responsibilities and the MM will be developed with a long-term approach to reduce deferred maintenance across tidelands. Every 5 years, staff will formulate a list of projects and determine a recommendation for annual funding. Staff recommendations for the 5 year program will be submitted as an agenda item to the Board of Port Commissioners (Board) with a complete project list and execution schedule for consideration. The Board's review and approval of the project list will be conducted at either a MM Workshop or Board meeting early... so that a funding decision will be available... If necessary, staff will make recommendations during the annual budget process to add or remove projects from the MM project list to address changing conditions or emergent needs. Impacts to the 5 year program execution schedule and budget will be described with the recommendations. This will be submitted as an agenda item to the Board early in the budget preparation cycle so that a funding decision will be available for the...

Major Maintenance Annual Project Approval Process:

Projects recommended for Major Maintenance funding are primarily derived from the District's Asset Management Program which utilizes a systematic process to assess and optimally manage physical assets. District staff will review the project list on an annual basis each January and February, to determine staff capacity and available funding.

Staff recommendations will be formulated, and then submitted as an agenda item to the Board of Port Commissioners (Board) annually in the first quarter of the calendar year with project details included.

The staff submission will include a recommendation for a contingency fund to address emergency projects and emergent Major Maintenance needs. The Board's review and preliminary approval will be conducted at either an annual Major Maintenance Workshop or Board meeting early in the budget preparation cycle so that final selection and funding decisions will be available for the Preliminary Budget Workshop in May or June.

Major Maintenance Actions that require Board Approval:

The Major Maintenance project list and budget, once approved by the Board, shall constitute Board direction regarding staff administration of the program. Throughout the year, the following actions require Board approval:

...exceed \$500,000 in total project budget and were not included in the Board approved 5 year project list require...

- Recommendations for deferral or cancellations of approved projects;
- Recommendations for any new Major Maintenance projects which exceed \$175,000 in total cost and were not included in the Board approved annual budget, require approval in compliance with PBC Policy No. 080, Unplanned Work Consideration and BPC Policy No. 090, Transfer Between or Within Appropriate Items in Budget. New projects with a total cost equal to or less than \$175,000 require approval of the Executive Director with notification to the Board; the aggregate of such projects may not total more than \$500,000 per fiscal year.
- Recommendations for transfer of funds from one project to another where the amount of the funds transferred exceeds the threshold as defined in BPC Policy No. 090, Transfer Between or Within Appropriated Items in Budget. Eliminate

... more than \$2.5M in the 5 year Major Maintenance program

Major Maintenance Reporting to the Board:

The Major Maintenance budget, once approved by the Board, shall constitute Board direction regarding staff administration of the program. The Executive Director or Designee will update the Board quarterly on the execution of the approved Major Maintenance Program, on a project-by-project basis, through the issuance of a report that will include the following elements:

- Project description, schedule, and budget;
- Status and issues for each project;
- Information concerning actions taken by staff, that did not require Board approval, in the prior quarter;
- Information concerning actions taken in the prior quarter, approved by the Board for deferrals, delays, cancellations, addition of new projects, transfers of funds.

Quarterly reports will be submitted to the Board after the end of each quarter.

RESOLUTION NUMBER AND DATE: 2016-37, dated March 8, 2016 (Supersedes BPC Policy No. 130, Resolution 2015-17, dated March 3, 2015; and Resolution 2013-104, dated June 11, 2013)