



Office of the City Manager

INFORMATION CALENDAR
November 27, 2012

To: Honorable Mayor and Members of the City Council
From:  Christine Daniel, City Manager
Submitted by: Andrew Clough, Director, Public Works
Subject: Status Report: Failing Streets: Time to Change Direction to Achieve Sustainability

SUMMARY

On November 15, 2011 the City Auditor issued its report: [Failing Streets: Time to Change Direction to Achieve Sustainability](#)¹. The objective of this audit was to “determine what it would take to raise the City’s Pavement Condition Index from ‘at risk’ to the mid-range of ‘good.’ At ‘good,’ streets can be maintained at a much lower cost than if they are allowed to deteriorate and require more costly repairs. The deteriorated streets are a growing unfunded need that is a liability for the City now and in the future.” As noted in the Auditor’s report, this audit was conducted in cooperation with the Public Works Department, and staff from the Metropolitan Transportation Commission, TRIP, and other agencies.

When the Audit was submitted to Council, there was a single Finding: 134 (62%) of Berkeley’s 216 Linear Miles of Streets Need to Be Resurfaced or Reconstructed at an Estimated Cost of \$54 Million; and 2 recommendations: The City Manager should recommend options to the City Council to improve the City’s pavement condition index to a certain level over a specified timeframe; and the Department of Public Works should use *StreetSaver*® to develop strategies for meeting the target PCI.

This is the first status report on implementation of these recommendations. Another status report will be submitted to Council by May 2013.

CURRENT SITUATION AND ITS EFFECTS

While both of the recommendations have been incorporated into planning and analysis for the streets program, they are not implemented, as explained below.

Finding 1: 134 (62%) of Berkeley’s 216 Linear Miles of Streets Need to Be Resurfaced or Reconstructed at an Estimated Cost of \$54 Million.

¹ Failing Streets: Time to Change Direction to Achieve Sustainability:
[www.ci.berkeley.ca.us/uploadedFiles/Clerk/Level_3 - City Council/2011/11Nov/2011-11-15 Item 09 Failing Streets.pdf](http://www.ci.berkeley.ca.us/uploadedFiles/Clerk/Level_3_-_City_Council/2011/11Nov/2011-11-15_Item_09_Failing_Streets.pdf).

Recommendation 1.1: The City Manager should recommend options to the City Council to improve the City's pavement condition index to a certain level over a specified timeframe. The recommendation should include:

- The desired average citywide PCI and timeframe within which to achieve it.
- Potential funding strategies to meet the PCI goal within the desired timeframe.
- A commitment to provide to the commissions and Council an annual progress report on the PCI as part of the 5-Year Street Plan.

Status: Not Implemented. Although this was to be implemented by July 2012, the Auditor's recommended options have not been incorporated into an implementation plan. There are ongoing developments in the field that greatly improve the ability to accomplish these goals, and Public Works staff is evaluating these strategies and products, which have considerable promise to extend pavement life and raise PCI values. These developing methods include seal coats, slurry and chip seals, micro-paving and bonded wearing surfaces.

Public Works proposes to develop a new street pavement strategy over a longer period of time than set forth in the Audit, concluding in spring 2013 with the adoption of the next 5-Year Street Plan during the FY 2014 budget process. This would include establishing an attainable overall PCI goal, with required funding scenarios, and corresponding timeframes.

Recommendation 1.2: The Department of Public Works should use *StreetSaver*® to develop strategies for meeting the target PCI. To ensure the reliability of the *StreetSaver*® scenarios, staff should:

- Update the *StreetSaver*® unit costs annually, including soft costs, such as administrative costs.
- Ensure the 5-Year Street Plan includes strategies that will achieve the Council-adopted PCI goal.
- Include annual costs for preventive maintenance in the 5-Year Street Plan.

Status: Not Implemented. Public Works has used *StreetSaver*® intensively for over 20 years, and found that meeting the April 2012 implementation for this recommendation was not possible. Staff believes that considerable benefit will be derived from a longer time to assess the alternative methods stated above, and intends to incorporate these into the FY 2014 – FY 2018 5-Year Street Plan to be adopted by the PW Commission by June 2013.

Meanwhile, the 5-Year Plan for FY 2013 – FY 2017 is also on this evening's agenda for Council adoption, and already incorporates a 4th year consisting exclusively of sealing treatments that extend existing pavement life, in lieu of paving any additional streets that year. This is an initial step in the right direction, considering the new information. Unit costs have been updated in *StreetSaver*® and will be in the future. Soft costs were not included, since they are budgeted separately from the construction dollars and the labor rates for FY 2013 had not yet been established.

The 5-Year Plan for 2014 will be different from the Plans over recent years, in terms of which streets receive treatment. It will probably include a more diverse array of treatments, such as the “sealing” technologies mentioned above, on streets recently paved. On a recurring annual basis, an increasing portion of the annual budget of the program would be dedicated to new sealing/bonding/surface treatments. Finally, the 2014 5-Year Plan is expected to fully respond to these audit recommendations.

BACKGROUND

The Audit, [Failing Streets: Time to Change Direction to Achieve Sustainability](#)², was performed in 2011, and used the same software-based evaluation system (*StreetSaver*®) that the Public Works Department uses routinely to program street paving and repairs. Historically, in accordance with the Street Repair Policy adopted by Council, Public Works procedures currently integrate the *StreetSaver*® output with actual street maintenance records versus recommended rehabilitation treatments, designated bicycle and bus routes, while giving priority to different classes of streets as recommended by the Public Works Commission, while developing a 5-Year Plan to recommend to the Council. The Audit recommended that Public Works expand its current use of *StreetSaver*® to take full advantage of the software’s capabilities. Public Works plans to address these expanded uses in the development of the 2014 5-Year Plan.

POSSIBLE FUTURE ACTION

The results of the Audit will be updated in two ways:

- New technologies and treatments currently under development will be integrated when developing the next 5-Year Plan.
- Unit costs will be updated and kept up-to-date on a continuing basis. Public Works acknowledges that the unit costs (maintained by Public Works) were out-of-date at the time of the Audit.

FISCAL IMPACTS OF POSSIBLE FUTURE ACTION

The Audit states:

If we can’t afford to fix our streets now, how are we going to be able to afford to fix them in the future when the cost will be millions more?

By the end of 2011, the City’s unfunded needs for street maintenance and repair will be \$41.7 million. Berkeley’s current annual street rehabilitation budget of \$3.66 million a year is not enough to allow Public Works to rehabilitate the majority of the City’s streets, which continue to deteriorate at a rapid rate. In just five years, those unmet needs will grow to \$70.8 million, an increase of more than \$29 million. The longer this work is deferred, the more costly the repairs become. If the streets are allowed to continue to deteriorate, Berkeley could become a less desirable place for residents, visitors, and businesses alike. We are unable to quantify the potential

² Failing Streets: Time to Change Direction to Achieve Sustainability:
www.ci.berkeley.ca.us/uploadedFiles/Clerk/Level_3_-_City_Council/2011/11Nov/2011-11-15_Item_09_Failing_Streets.pdf

affect on the City's local economy. Finding new revenue sources, such as local sales tax increases and bonds, could help fill the funding gap.

Once the new technologies, as discussed above, are incorporated, and the prior unit costs are updated, it is expected that staff can revise these estimated costs and timeframes to be more accurate and make the resulting recommendations to Council.

CONTACT PERSON

Jeffrey L. Egeberg, Manager of Engineering, Public Works, 981-6400

Links:

1: Failing Streets: Time to Change Direction to Achieve Sustainability:
[www.ci.berkeley.ca.us/uploadedFiles/Clerk/Level_3 -
_City_Council/2011/11Nov/2011-11-15_Item_09_Failing_Streets.pdf](http://www.ci.berkeley.ca.us/uploadedFiles/Clerk/Level_3_-_City_Council/2011/11Nov/2011-11-15_Item_09_Failing_Streets.pdf)