



King County

KING COUNTY AUDITOR'S OFFICE

CAPITAL PROJECTS OVERSIGHT PROGRAM

In 2006, the County Council created a new function in the County Auditor's Office by funding a program for capital projects' oversight (CPO) with the mission of controlling cost overruns and unforeseen expansion of project scopes, schedules, and budgets on King County's large capital construction projects.

Goals for the program include: (1) provide effective independent oversight; (2) focus the oversight on high-risk projects; (3) increase the likelihood of project success; (4) identify problems in a more timely manner; (5) provide clear, succinct reports; and (6) facilitate decision-making by the council.

Background

Since establishing the Capital Projects Oversight (CPO) program in 2006 by Ordinance 15652, the council has expanded the oversight function each year growing from its original pilot project status reviewing four large capital construction projects to providing more extensive oversight of management practices for capital projects across all departments in 2009.

The auditor's office initially hired PMA Consultants to develop a model and implementation plan for the new program as documented in the reports found at this link <http://your.kingcounty.gov/auditor/2007/CPOPartAB.pdf>. Implementation activities began immediately following the presentation of this report to council in September 2007.

There are two components of the program:

- Programmatic efforts to improve the project delivery performance and accountability across all projects in the county's capital improvement program; and
- Direct project oversight on selected, high risk projects.

Programmatic Work

The programmatic work will provide improved countywide capital project reporting and recommendations for improved project management policies and procedures related to estimating, scheduling, and risk management. The 2009 work program includes a study to develop criteria for prioritizing capital projects. Also envisioned is development of a risk rating tool to identify projects that should receive direct project oversight.

Our programmatic work includes monitoring and participating, where appropriate, in other related county initiatives to identify coordination opportunities to improve accountability, transparency, and performance relative to capital projects. These initiatives include the Interdepartmental Forum, meetings on procurement issues with the American Council of Engineering Companies, development of the new financial and budget tools, Standards Steering Committee, the executive's Critical Analysis Reports to council, the Project Review Board, and Countywide Performance Management Work Group.

Direct Project Oversight

Direct project oversight continues on the original four projects assigned in 2007: Accountable Business Transformation, Brightwater Wastewater Treatment System, Jail Integrated Security Project, and the Ninth and Jefferson Building at Harborview. In 2008, the council assigned oversight of the Data Center Relocation project. We also conducted a due diligence review of a conceptual plan to replace the County Administration Building. This informed the decision to not pursue the project.

Through direct project oversight, we review and perform independent analysis of a project's status relative to the baseline scope, schedule, and budget approved by council. We identify issues and risks that need attention and may make specific recommendations to the project team to improve the likelihood of successful project delivery. We also provide written reports and briefings to council and post the reports on the auditor's office Web site at www.kingcounty.gov/operations/auditor/CapitalOversight.aspx

Staffing

Program staffing consists of CPO Manager, Tina Rogers, who was hired in May 2008. Tina is a licensed civil engineer with more than 26 years of private and public experience including project management, transportation program planning and delivery. CPO Analyst, Tom Wood, was hired in December 2008. Tom has an architectural background and over 25 years of private and public experience including project management, construction administration, capital budget administration, and strategic/tactical planning. A temporary, part-time employee and selected audit staff from the County Auditor's Office, as well as contracted consultants, provide assistance as needed.

Funding

Funding for the CPO program in 2007 and 2008 consisted of prorating the estimated costs of CPO to the four projects receiving the direct project oversight. In 2009, these projects bear only the costs of project oversight. Ordinance 16564 created funding for the programmatic work by allocating a prorated share of the estimated costs across 15 capital funds that will benefit from the program. Continued council appropriation of funding is dependent on workload in each annual capital budget.