




**King County
Administrative Policies and Procedures**

**General Administrative
Policies & Procedures**

Title Introduction to Construction Management Policies and Procedures	Document Code No. CON 7-13-1 (AEP)
Department/Issuing Agency King County Executive	Effective Date. May 15, 2009
Approved 	

1. SUBJECT TITLE: Introduction to Construction Management Policies and Procedures

- 1.1 EFFECTIVE DATE: 10 days after approval
- 1.2 TYPE OF ACTION: Supersedes CON 7-13 (AEP) "Introduction to Construction Management Policies and Procedures" dated October 1, 2000.
- 1.3 KEY WORDS: Construction, Introduction to Construction Management

2. PURPOSE:

- 2.1 To provide an introduction to King County's Construction Management Policies and Procedures (P&Ps).
- 2.2 The objectives of the P&Ps are as follows:
 - 2.2.1 To establish best business practices to effectively and efficiently manage CAPITAL PROJECTS within King County.
 - 2.2.2 To streamline the CAPITAL PROJECT management process by delegating authority to the appropriate level and empowering project management personnel.
 - 2.2.3 To implement best business practice P&Ps to which project management personnel are held accountable.
 - 2.2.4 To ensure that adequate controls over PROJECT COST, schedule, and quality are in place during King County's management of CAPITAL PROJECTS.
 - 2.2.5 To make certain that adequate process and DOCUMENTATION standards are in place to ensure that public funds are expended prudently and are properly substantiated.
- 2.3 The following Policies and Procedures are hereby rescinded and/or superseded:
 - 2.3.1 CON 7-5 (AEP) Retainage Release Process for County Contracts.

2.3.2 CON 7-6 (AEP) Architecture and Engineering Contract Cost Control/Reimbursement.

2.3.3 CON 7-7-1 (AEP) Procurement for Capital Projects.

2.3.4 CON 7-8-1 (AEP) Change Order Amendment /Administration.

2.3.5 CON 7-9-1 (AEP) Capital Project Planning Management.

2.3.6 CON 7-10-1 (AEP) Project Control Officer.

2.3.7 CON 7-11 (AEP) Professional Services Procurement Process.

2.3.8 CON 7-12 (AEP) Architect and Engineering Services Procurement Process.

2.3.9 PER 12-1 (AEP) Project Construction Management Staff Training.

2.3.10 PER 15-3 (AEP) Disciplinary Process for Failure to follow King County Contract Policies and Procedures.

2.4 And replaced with the following Policies and Procedures:

2.4.1 CON 7-5-1 (AEP).

2.4.2 CON 7-7-2 (AEP).

2.4.3 CON 7-8-2 (AEP).

2.4.4 CON 7-9-2 (AEP).

2.4.5 CON 7-10-2 (AEP).

2.4.6 CON 7-13-1 (AEP).

2.4.7 CON 7-14 (AEP).

3. ORGANIZATIONS AFFECTED:

3.1 All Executive Departments, Offices and Agencies.

4. REFERENCES:

4.1 CON 7-9-2 (AEP) Capital Project Planning and Management.

4.2 CON 7-7-2 (AEP) Procurement for Capital Projects.

4.3 CON 7-8-2 (AEP) Change Order/Amendment Administration.

4.4 CON 7-14 (AEP) Design Management.

4.5 CON 7-10-2 (AEP) Project Control Officer.

4.6 CON 7-5-1 (AEP) Project Closeout.

4.7 FIN 15-2-1 (AEP) Audits of Construction Management Practices.

5. DEFINITIONS:

5.1 The definitions listed in Appendix A "P&P Defined Terminology" apply to terms used in the P&Ps referenced above. Defined terminology will be identified in the P&Ps in all capital letters.

6. POLICIES:

6.1 P&Ps are applicable to all County agencies, offices, and departments responsible for managing CAPITAL PROJECTS. However, if it makes better business sense and if it is deemed appropriate for the benefit of the County, the IAD may waive the requirements of a P&P for individual situations (except those P&Ps relating to procurement).

6.2 IADs are responsible for assuring compliance with the P&Ps. To help ensure quality project management and compliance with the P&Ps, each IA must maintain a current project management manual with detailed guidelines and procedures. This manual should be consistent with the requirements of the P&Ps, and provide personnel with IA specific guidelines and procedures to comply with the P&Ps.

6.3 Training by the DOF PCO will be conducted initially when the P&Ps are implemented, then on an annual basis and when new employees are hired or if the P&Ps are revised. The DOF PCO will also be available for refresher courses as requested.

6.4 All questions and proposed changes regarding the P&Ps should be addressed to the DOF PCO. The DOF PCO shall be responsible for answering P&P application questions and facilitating the maintenance/updating process of the P&Ps on at least an annual basis.

6.5 The P&Ps are applicable to all projects initiated after the effective date of these P&Ps and any CONTRACT procurements or CHANGE ORDERS/AMENDMENTS executed after the effective date of these P&Ps.

6.6 If a conflict exists between the P&Ps and a CONTRACT'S agreed-upon terms, then the CONTRACT shall take precedence. Upon discovery of such a conflict, the IA will report the conflict in writing to the DOF PCO.

6.7 Failure to comply with these P&Ps shall subject the King County employee to the disciplinary process set forth in the King County Personnel Guidelines Section 16 and the provisions of King County Code 3.12.270.

7. PROCEDURES:

Action By	Action
IAD	7.1 In circumstances when the IAD determines that the requirements of a P&P should be waived for the benefit of the County, the waiver must be in writing, provide a description of why the waiver benefits the County, be signed by the IAD, and retained in the project's files for future reference, with a copy to the supervisor of PCSS and DOF PCO.
IA	7.2 Each IA shall develop a detailed project management manual and ensure that it is consistent with the P&Ps.
	7.2.1 This manual should include items such as:
	A. IA specific procedures for complying with the P&Ps,
	B. CAPITAL PROJECT planning and programming,
	C. Developing the SCOPE OF WORK, budgets, and schedules,
	D. CONTRACT ADMINISTRATION (CHANGE ORDERS/AMENDMENTS, processing applications for payment, etc.),
	E. Design Management,
	F. Construction Management, and
	G. Closeout procedures.
	7.3 Training will be provided in three forms:
IA PCO	7.3.1 The DOF PCO will train all IA PCOs to ensure that the PCO role and responsibilities are consistent in application throughout King County Departments and across multiple projects.
DOF PCO	7.3.2 The DOF PCO and IA PCO are responsible for training IA personnel on how to comply with the P&Ps. Training should be based on the P&Ps and the IA's project management manual.
PCSS	7.3.3 PCSS will provide training on the procurement process and guidelines for

CAPITAL PROJECTS.

DOF 7.4 On not less than an annual basis, the DOF PCO shall collect questions and
PCO input regarding suggested changes to the P&Ps and facilitate the process to
update the P&Ps in order to ensure implementation of best industry practices.

8. RESPONSIBILITIES:

8.1 IA is responsible for complying with the P&Ps.

8.2 IA is responsible for documenting any waivers of P&P requirements.

8.3 IA is responsible for developing a project management manual consistent with the P&Ps. DOF PCO is responsible for reviewing the IA's manual for consistency with the P&Ps.

8.4 DOF PCO, PCSS, and IA PCO are all responsible for adequately training IA personnel.

8.5 DOF PCO is responsible for answering questions and facilitating updates to the P&Ps as needed.

9. APPENDICES:

9.1 Appendix A "P&P Defined Terminology".

Appendix A

King County Executive Policies and Procedures

P&P Defined Terminology

These definitions are intended to apply solely to these P&Ps (as defined in definition #27).

1. "AMENDMENT" refers to a legal document used to amend a CONSULTANT CONTRACT.
2. "CAPITAL PROJECT" refers to a project with a scope that includes one or more of the following elements: acquisition of a site and/or existing structure, program or site master planning, design and environmental analysis, design, construction, major equipment acquisition, reconstruction, demolition or major alteration of a capital asset. A CAPITAL PROJECT shall include: a project program plan, scope, budget by task, and schedule.
3. "CHANGE ORDER" refers to a legal document used to modify a CONSTRUCTION SERVICES CONTRACT. Multiple change proposals and/or REQUEST FOR CHANGE ORDERS may be contained in a single CHANGE ORDER.
4. "CONSTRUCTION SERVICES" refers to the labor, materials, equipment, supplies, services and other items necessary to convert plans and specifications or a SCOPE OF WORK into a completed project.
5. "CONSULTANT" refers to the individual, association, partnership, firm, company, corporation, or combination thereof, including joint ventures, contracting with King County to perform architectural, engineering or PROFESSIONAL SERVICES.
6. "CONTRACT" refers to the entire integrated agreement between King County and a CONTRACTOR to perform CONSTRUCTION SERVICES or a CONSULTANT to perform architectural, engineering or PROFESSIONAL SERVICES.
7. "CONTRACT ADMINISTRATION" refers to duties including project oversight, estimating, scheduling, COST CONTROLS, PROGRESS PAYMENTS, CHANGE ORDERS / AMENDMENTS, and construction work inspection.
8. "CONTRACTOR" refers to the individual, association, partnership, firm, company, corporation, or combination thereof, including joint ventures, contracting with King County to perform CONSTRUCTION SERVICES.
9. "COST CONTROL" refers to the application of procedures to follow the progress of design and construction projects in order to expend public funds appropriately and assure efficient operations of the completed project.
10. "COST (OR PRICE) INDEX" refers to a number which relates the cost of an item at a specific time to the corresponding cost at some arbitrarily specified time in the past or future.

11. "COST PLUS FIXED FEE CONTRACT" refers to a form of contractual arrangement in which the County agrees to reimburse the CONSULTANT's actual costs, and in addition pay a negotiated fee or PROFIT independent of the amount of the actual costs.
12. "DIRECT COST" refers to any cost that can be identified specifically with a single cost element, such as labor and OTHER DIRECT COSTS (ODCs). ODCs are those costs, which are required for performance of the CONTRACT and are actually incurred but are not included in the calculation of the OVERHEAD rate. ODCs shall be billed at cost without markup by the CONSULTANT and include the following described costs and expenses actually incurred by the CONSULTANT: travel costs (limited to the provisions of Chapter 3.24 of the King County Code, now and as hereafter amended); cost for equipment, materials and supplies, including but not limited to approved equipment rental; long distance telephone expenses; reproduction costs including blueprinting, photographing, telecopying, mimeographing, photocopying and printing; express charges; models; computer programming and keypunching costs; and authorized subcontract services.
13. "DOCUMENTATION" refers to any kind of written record, including such items as final reports, accounting ledgers, receipts or record of purchases or payments, payroll register, journals and financial statements.
14. "DOF" refers to the King County Department of Finance.
15. "EAC" refers to the King County Executive Audit Committee.
16. "EAS" refers to the King County Executive Audit Services.
17. "ESCALATION" refers to the provision in actual or estimated costs for an increase in the cost of labor, etc., over those specified in the CONTRACT due to continuing price level changes over time.
18. "ESTIMATE" refers to the projected cost of all project elements or effort for a defined scope.
19. "FIELD LOCATIONS" refers to construction sites, shop fabrication facilities, testing laboratories, or any other locations where CONTRACT work is physically performed, or an office established for specific project work.
20. "FINANCIAL MANAGEMENT DIVISION STAFF" refers to those individuals in the Financial Management Division of the Department of Finance who are responsible for making final payment on RETAINAGE upon notice from the IA that retainage may be released.
21. "IA" refers to the Implementing Agency (i.e. Executive department, division or agency) responsible for administering the CONTRACT.
22. "IAD" abbreviation for IMPLEMENTING AGENCY'S DIRECTOR or designee.
23. "KC" refers to King County.

24. "LUMP SUM" or "fixed price" CONTRACT refers to a CONTRACT form in which the price includes all costs, profit or fee, and overhead, and is predetermined. Such CONTRACTS shall not be subject to adjustment on the basis of the CONTRACTOR'S and/or CONSULTANT'S cost experience performing the CONTRACT, unless changes are made to the SCOPE OF WORK. It shall not be subject to a price cost analysis.

25. "MILESTONE" refers to a major event in a project.

26. "OVERHEAD" refers to charges that may be incurred or allocated in support of the CONTRACT but are not part of the cost of directly performing the CONTRACT work. OVERHEAD cost cannot be directly identified with a single task or cost element. It is not subject to treatment as a DIRECT COST.

27. "P&Ps" refers to the King County Construction Management Executive Policies and Procedures. These include the following:

CON 7-13-1 (AEP) Introduction to Construction Management Policies and Procedures

CON 7-9-2(AEP) Capital Project Planning and Management

CON 7-7-2 (AEP) Procurement for Capital Projects

CON 7-8-2 (AEP) Change Order/Amendment Administration

CON 7-14 (AEP) Design Management

CON 7-10-2 (AEP) Project Control Officer

CON 7-5-1 (AEP) Project Closeout

FIN 15-2-1 (AEP) Audits of Construction Management Practices

28. "PCO" refers to the Project Control Officer who is the KC employee responsible for fulfilling the duties outlined in CON 7-10-2 (AEP) Project Control Officer.

29. "PCSS" refers to the Professional and Construction Services Section within the Procurement and Contract Services Division of the Department of Finance responsible for procuring PROFESSIONAL and CONSTRUCTION SERVICES.

30. "PROCUREMENT WAIVER" refers to a waiver of the competitive procurement requirements in accordance with King County Code provisions and procedures promulgated by the Department of Finance.

31. "PROFESSIONAL SERVICES": As used herein means: architectural, engineering, or other professional services which include (1) those services provided by independent CONSULTANT within the scope of practice of accounting, law, financial or administrative studies, feasibility studies of a scientific or technical nature, management advisory services and special project management for a defined period of time or result, or other practice that requires specialized knowledge, advanced education or professional licensing or certification; and (2) where the primary service provided is mental or intellectual involving the consistent exercise of judgment and discretion or the provision of specialized skills.

32. "PROFIT" refers to the fixed dollar amount or percentage earned by a CONSULTANT/CONTRACTOR in excess of its costs and OVERHEAD.

33. "PROGRESS PAYMENTS" refers to payments made to the CONTRACTOR or CONSULTANT by King County during the course of a project at defined intervals, rather than at the end of the project, the terms of which are specified in the CONTRACT.

34. "PROJECT COST" refers to the cost of planning, designing, project administration, equipment acquisition, material purchases, internal service charges, taxes, permits, CONSULTANT SERVICES, and CONSTRUCTION SERVICES. (When calculating costs, do not include the cost of land acquisition.)

35. "PROJECT COST ACCOUNTING SYSTEM" refers to a cost accounting system that accumulates actual expenditures for projects in such a way that total costs for all work in the organization can be allocated to the appropriate deliverables or projects, normally providing monthly cost summaries.

36. "PROJECT MANAGER" refers to the King County employee responsible for the planning, execution, and closing of assigned CAPITAL PROJECTS. A PROJECT MANAGER is the person accountable for accomplishing the stated CAPITAL PROJECT objectives. Key CAPITAL PROJECT management responsibilities include creating clear and attainable CAPITAL PROJECT objectives, building the CAPITAL PROJECT requirements, and managing and controlling the CAPITAL PROJECT's cost, time, and scope.

37. "PROJECT REPRESENTATIVE" refers to the King County employee responsible for CONTRACT ADMINISTRATION, and representing King County during interactions with CONTRACTORS and/or CONSULTANTS.

38. "REQUEST FOR CHANGE ORDER" refers to a document prepared by the CONTRACTOR requesting either (1) change in CONTRACT price; (2) change in CONTRACT time; and/or (3) adjustment to CONTRACT terms.

39. "RETAINAGE" refers to that percentage of each PROGRESS PAYMENT the County is required to retain on all public works projects pursuant to RCW 60.28.

40. "SCOPE OF WORK" refers to the general type of work as described when the services or goods were procured, including work not specifically identified or defined in the scope but which is incidental to and/or needs to be performed in order to complete the SCOPE OF WORK and work added by fully authorized and executed CHANGE ORDERS / AMENDMENTS.

41. "WORK ORDER" refers to an authorization to perform a specific body of work within the general SCOPE OF WORK and terms of a WORK ORDER CONTRACT.

42. "WORK ORDER CONTRACT" refers to a CONTRACT with specific terms and conditions with a defined general SCOPE OF WORK for a specific program or project requiring work to be performed on an as needed basis to meet the objectives of the program/project. This CONTRACT is utilized when work necessary to meet the objectives cannot be clearly defined in advance, or in situations when the normal contracting process would prevent the timely and efficient implementation of program objectives. This CONTRACT is procured through the PCSS of the Department of Finance.