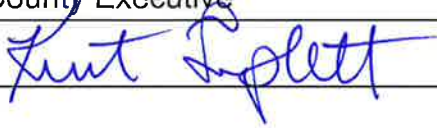




**King County
Administrative Policies and Procedures**

**General Administrative
Policies & Procedures**

Title	Document Code No.
Capital Project and Contract Planning and Management	CON 7-9-2 (AEP)
Department/Issuing Agency	Effective Date.
King County Executive	May 15, 2009
Approved	
	

1.0 SUBJECT TITLE: Capital Project and Contract Planning and Management

1.1. EFFECTIVE DATE: 10 days after approval

1.2 TYPE OF ACTION: Supersedes CON 7-9-1 (AEP) "Capital Project and Contract Planning Management" dated October 1, 2000

1.3 KEY WORDS: Capital Projects, Contract Planning Management

2.0 PURPOSE:

2.1 To establish policies governing key elements of the CAPITAL PROJECT and CONTRACT planning and management process to enhance overall CAPITAL PROJECT delivery effectiveness. This policy applies to professional, architecture/engineering (A/E), and construction contracts.

3.0 ORGANIZATIONS AFFECTED:

3.1 All Executive Departments, Offices and Agencies.

4.0 REFERENCES:

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

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.

5.0 DEFINITIONS:

5.1 See CON 7-13-1 (AEP) Appendix A "P&P Defined Terminology".

6.0 POLICIES:

CAPITAL PROJECT PLANNING AND MANAGEMENT

6.1 All CAPITAL PROJECTS shall include an initial planning and programming process to develop the CAPITAL PROJECT scope. This should include an analysis of organizational needs, public input, consideration of constraints, and the definition of general project requirements. The level of detail for this planning and programming process should be based on the size and complexity of the CAPITAL PROJECT.

6.2 IAs shall develop a project management plan for each CAPITAL PROJECT. Guidelines for development of the project management plan and elements to be included in the project management plan shall be documented in the IA's project management manual.

6.3 All CAPITAL PROJECTS shall have authorized or appropriated budgets prior to CAPITAL PROJECT initiation. IA shall consider adequate contingency amounts during budget formation. The PROJECT MANAGER is responsible for monitoring and controlling PROJECT COSTS to ensure that costs do not exceed budgeted amounts, are in accordance with applicable policies and procedures, and are properly substantiated by IA DOCUMENTATION.

6.4 All CAPITAL PROJECTS shall have a PROJECT schedule. The PROJECT MANAGER is responsible for reviewing and managing the CAPITAL PROJECT schedule from CAPITAL PROJECT initiation through design, construction, and PROJECT closeout to ensure that the CAPITAL PROJECT is completed in the time required to meet the needs of the end users.

6.5 Each IA shall have a standardized process for identifying, analyzing, and responding to potential CAPITAL PROJECT risks (i.e. CAPITAL PROJECT unknowns, not insurance requirements) when implementing CAPITAL PROJECTS. This process shall be documented in the IA's Project Management Manual.

6.6 All CAPITAL PROJECTS shall have and use an established document management system to ensure that project information is readily accessible.

6.7 Each IA shall establish regular management reporting to provide the status of each agency's CAPITAL PROJECT and the capital program as a whole. The IA shall provide regular reports to the IAD or designee to ensure that KC management is adequately informed about the status of CAPITAL PROJECTS.

CAPITAL CONTRACT PLANNING AND MANAGEMENT

6.8 All CAPITAL PROJECT CONTRACTS shall have established budgets prior to CONTRACT initiation. IA shall consider adequate CONTRACT contingency amounts during budget formation. The PROJECT REPRESENTATIVE is responsible for monitoring and controlling CONTRACT COSTS to ensure that costs do not exceed CONTRACT budgeted amounts, are in accordance with applicable policies and

procedures, and are properly substantiated by IA DOCUMENTATION.

6.9 All CAPITAL PROJECT CONTRACTS shall have a CONTRACT schedule. The PROJECT REPRESENTATIVE is responsible for reviewing and monitoring the CONTRACT schedules from CONTRACT initiation through design, construction, and CONTRACT closeout to ensure that the CONTRACT is completed as planned and in the time required to meet the needs of the end users.

6.10 The PROJECT REPRESENTATIVE is responsible for ensuring that CONTRACTOR and/or CONSULTANT work performed is within the contracted SCOPE OF WORK. Any work outside the agreed upon SCOPE OF WORK must either be procured separately or have a PROCUREMENT WAIVER.

6.11 The PROJECT REPRESENTATIVE is responsible for managing the CONTRACT to ensure compliance with CONTRACT terms and conditions and receipt of deliverables and scope for the CONTRACT are within the CONTRACT price.

6.12 The IA shall conduct a quality control process throughout the life of the CONTRACT to ensure that CONTRACT results satisfy the needs of the County and end users, as well as the operational requirements of the CONTRACT.

6.13 County shall pay for all services rendered on a timely basis in accordance with its obligations described in the CONTRACT documents.

6.14 The County shall resolve disputes in a timely basis in accordance with the procedures described in the CONTRACT documents.

6.15 On all CONSTRUCTION SERVICES CONTRACTS estimated at \$10 million or more, a construction management firm shall be retained, unless, at the written request of the IAD, this requirement is waived in writing by the EAC and the Deputy County Executive. The IAD's request to waive this requirement must be based on the IA's demonstration that the construction can be effectively managed by County forces, consistent with best industry practices.

6.15.1 The services which the construction management firm may provide include but are not limited to:

- A. Establish and maintain a document retention and tracking system;
- B. Review, analyze, and approve all construction schedules, including, but not limited to, schedule changes caused by change orders;
- C. Provide independent cost estimates for all change orders;

D. Assist project staff in the negotiation of change orders; and/or

E. Review and approve progress payments.

7.0 PROCEDURES:

Action
By Action

7.1 To ensure that CAPITAL PROJECTS are managed consistently and that control requirements are met, IAs shall have a project management plan for overseeing each CAPITAL PROJECT. This plan should summarize the roles and responsibilities of the project team, and others involved in management of the PROJECT. The project management plan should be consistent with the P&Ps and be developed in accordance with guidelines in the IA's project management manual.

7.1.1 Essential information to be included in the plan include the following:

- IA A. Project Purpose, Objectives, and Needs,
- B. Primary Users,
- C. General Description of Project,
- D. Project SCOPE OF WORK,
- E. Proposed Budget,
- F. Project Schedule, and
- G. Risk Assessment (i.e. identification of areas of potential concern).

IA 7.2 For each CAPITAL PROJECT, the IA shall prepare a detailed, written cost ESTIMATE to complete the written SCOPE OF WORK. Based on the project's cost and level of complexity, the level of detail for the project budget may vary. At a minimum, the budget should include an ESTIMATE of design cost, construction cost, County work force and administration, and contingency allowance. It is the PROJECT MANAGER's responsibility to oversee and monitor the project budget after it has been established by the IA. PROJECT MANAGER and PROJECT REPRESENTATIVE must ensure that all CONTRACTS, CONTRACT CHANGE ORDERS/ AMENDMENTS, payment applications, purchase orders, in-house staff time, and miscellaneous charges are within the project's budget, in accordance with CONTRACT terms, and are properly substantiated prior to authorizing them for

processing.

7.3 For each CAPITAL PROJECT, the IA shall develop a written project management plan. The project management plan should include appropriate project controls based on design and construction requirements to complete the SCOPE OF WORK. Based on the project's cost and level of complexity, the level of detail for the project controls may vary.

7.4 Basic information that should be included in the Project management plan includes the following:

A. An established project budget, including budget for all phases of the project

B. Identification of baseline construction targets for design scope, schedule and budget established when there is enough technical information available to allow a reasonable basis for performance measurement. Baseline construction targets should be established when 30% to 40% of design is complete, depending on the project.

C. If the final design consultant differs from the predesign consultant, the plan shall include a process for reconciling differences, if any, when 30% to 40% design is complete.

D. A plan establishing cost controls, including, but not limited to: (1) identifying a process for design changes during the final design phase and maintaining costs within baseline construction target; (2) a process requiring the IA's approval of any design change that may result in exceeding the baseline construction target before incorporation into the design; and, (3) identifying a timely process for risk identification and management including impact of risks on the baseline construction target.

E. A plan identifying: design intervals or milestones for deliverables (design drawings and other submittals); requirement for periodic updates to the cost estimates; and requirements for a schedule for design reviews.

F. A plan for estimating requirements to include: specifications for formats and level of detail required; a reconciliation process to use when baseline construction target and design estimates are at variance; and, value engineering or other processes to consider scope revisions to control cost, as applicable to the CAPITAL PROJECT or CONTRACT.

G. A plan for contingency management, including establishing

contingency levels throughout the CAPITAL PROJECT and for each CONTRACT.

H. The plan must include the IA Department's process for notification to the IA Department Director when the baseline construction target is at significant risk of being exceeded.

7.5 For each CAPITAL PROJECT, the IA shall develop a written project schedule based on design and construction requirements to complete the SCOPE OF WORK. Based on the project's cost and level of complexity, the level of detail for the schedule may vary.

7.5.1 Basic information that should be included in the schedule includes the following:

A. Project Planned Start and Planned Completion Dates,

B. Pre-Design/Programming (as applicable)

C. Estimated activity durations and interdependencies for each major element,

D. MILESTONE Dates,

E. Acquisition/Property Issues, where applicable

F. Permitting and Regulatory Activities ,

G. Design Phases (schematic design, design development, construction documents, etc.),

H. CONTRACTOR and/or CONSULTANT Schedule for Procurement;

I. Construction activities, including a Critical Path Method (CPM) schedule of major work activities, where ; and

J. Use and Occupancy, if applicable; and,

K. Project Closeout.

IA

IA

7.6 The IA's PROJECT REPRESENTATIVE shall review and analyze the CONTRACTOR'S schedule as a basis for either accepting or rejecting the schedule in accordance with the County's construction CONTRACT General Conditions (see General Conditions if the schedule is not

accepted).

7.7.1 Items to be considered as part of the PROJECT REPRESENTATIVE'S review and analysis include:

A. Conformance of the CONTRACT schedule to the specified CONTRACT start and completion dates or the CONTRACT period;

B. Clear identification on the CONTRACT schedule of required interim MILESTONE dates;

C. Review of schedule logic for reasonable and logical sequencing of activities including such factors as "float" time, so that not all activities are on the critical path, and the duration of individual activities.

D. Reasonable consideration and inclusion of schedule influences such as potential adverse weather conditions, long lead times for materials procurement and fabrication periods, and County review periods of submittals, among others.

E. Schedules should be equipment, material, and labor loaded and/or resource loaded schedules. The level of effort and man-loading at any point in time should be consistent with the size of the worksite and does not conflict with enforceable restriction such as working hours, building permit conditions, etc.

F. Verification that the format and content of the CONTRACT schedule is consistent with the technical specifications, including the computer software utilized and the output reports.

G. Mobilization and clean up; and

H. Close-out activities.

7.8.2 The originally accepted baseline CONTRACT schedule should be preserved in a hard copy and electronic copy format for the archival life of the PROJECT files. Schedule management during construction shall be performed in accordance with the requirements of the General Conditions and the IA project management manual.

7.9 IAs shall include a risk assessment process for CAPITAL PROJECTS in the project management manual.

IA

710.1 This process should include the following steps and provide for different types of project:

A. Risk Identification: Determine what the potential risks for each CAPITAL PROJECT;

B. Risk Quantification: Analyze and evaluate each risk to assess and quantify the range of potential impacts to the project; and,

C. Risk Response: Determine action steps to mitigate each risk.

7.11 The IA's quality control process for CAPITAL PROJECT CONTRACTS should be documented in the IA's project management manual.

7.12.1 This process should include the following steps:

A. Review of CONTRACT activities against the agreed upon CONTRACT scope;

IA B. Tests and inspections to measure CONTRACT activities against established specifications;

C. Adherence to functional objectives and design specifications;

D. Compliance with permitting, regulatory, and environmental requirements and specifications; and

E. Action to correct any identified quality control issues.

IA 7.13 The PROJECT REPRESENTATIVE shall follow the policies and procedures outlined in the PCSS Procurement Manual to obtain any services outside the original CONTRACT SCOPE OF WORK. This includes procedures for procurement and PROCUREMENT WAIVERS for out of scope work.

IA 7.14 PROJECT MANAGER shall develop CAPITAL PROJECT status reports based on departmental guidelines. Depending on the PROJECT COST, schedule, level of complexity, and information needs of IA management, the level of detail for CAPITAL PROJECT status reporting may vary. Basic information that should be included in the CAPITAL PROJECT status reporting include costs incurred, budget status (unexpended budget vs. estimated balance to complete), CHANGE ORDERS/AMENDMENTS, CAPITAL PROJECT schedule, contingency, and any variances between planned vs. actual CAPITAL PROJECT performance.

7.15 Each IA shall develop and utilize a formal document indexing system to manage and maintain project information on a consistent basis throughout the CAPITAL PROJECTS.

7.15.1 This should include, but not be limited to:

- A. File Index,
- B. Project Contact List (key contact, phone #'s, etc.),
- C. Budget and Schedule
- D. Project Planning Information,
- E. Correspondence,
- IA F. CONSULTANT CONTRACT and AMENDMENTS,
- G. CONSULTANT Invoices,
- H. CONTRACTOR Bids,
- I. CONTRACTOR CONTRACT and CHANGE ORDERS,
- J. CONTRACTOR Applications for Payment,
- K. Meeting notes/meeting minutes
- L. Permits, and
- M. Project Closeout.

8.0 RESPONSIBILITIES:

8.1 IAs are responsible for developing a project management plan to oversee each CAPITAL PROJECT.

8.2 IAs are responsible for ensuring that a budget exists for each CAPITAL PROJECT and that costs do not exceed the budget.

8.3 IAs are responsible for developing and managing a PROJECT schedule for each CAPITAL PROJECT.

8.4 IAs are responsible for planning and managing CAPITAL PROJECTS and CONTRACTS in accordance with these policies and procedures.

9.0 APPENDICES: None.