



# KING COUNTY AUDITOR'S OFFICE

DECEMBER 1, 2020

## Follow-up on Factoria Recycling and Transfer Station Project Oversight Recommendations

**The Solid Waste Division (SWD) took steps to mitigate risks, consider potential cost savings, and improve visibility into project spending for the Factoria Recycling and Transfer Station. Further, based on progress on the South County Recycling and Transfer Station so far, SWD improved project management processes to help ensure compliance with county code requirements for future capital projects.** SWD has implemented three of the four recommendations from our oversight reports on the Factoria Recycling and Transfer Station. We are closing the fourth recommendation, which was for SWD to comply with county code requirements on future capital projects. SWD currently has plans for two new recycling and transfer stations: South County and Northeast. The Northeast Recycling and Transfer Station project is still in the early planning stages, and the South County Recycling and Transfer Station project just reached 30 percent design and baselined in July 2020. We found that the South County project has so far met key county code requirements applicable to capital projects, including those for mandatory phased appropriation projects (MPA) and Leadership in Energy and Environmental Design (LEED). For example, whereas the Factoria project didn't meet required timelines for setting the project baseline or initiating an earned value analysis, the South County project established a project baseline as required at 30 to 40 percent design and began earned value analyses the following month. Rather than continuing to monitor code compliance for the South County and Northeast projects through our recommendation follow-up efforts, we will provide ongoing oversight of these new projects as needed through our capital project oversight role.

**SWD has implemented three of four recommendations.** Two recommendations were determined to be fully implemented in 2015 (Recommendations 1 and 3). Therefore, the table below provides a status update on Recommendations 2 and 4 from the 2013 and 2015 oversight reports.

Of the four audit recommendations:

	3 <b>DONE</b>		0 <b>PROGRESS</b>		0 <b>OPEN</b>		1 <b>CLOSED</b>
<b>Fully implemented</b> Auditor will no longer monitor.		<b>Partially implemented</b> Auditor will continue to monitor.		<b>Remain unresolved</b> Auditor will continue to monitor.		<b>No longer applicable</b> Auditor will no longer monitor.	

Please see below for details on the implementation status of these recommendations.



## Recommendation 1

June 9, 2015

DONE



## Recommendation 2

CLOSED



**We recommend that Solid Waste Division comply with all county code requirements on future capital projects, including those applicable to mandatory phased appropriation and LEED.**

STATUS UPDATE: SWD has plans for two new recycling and transfer stations: South County and Northeast. Both projects are still in the early stages of planning or design. The Northeast Recycling and Transfer Station project is in siting, and the South County Recycling and Transfer Station project reached 30 percent design and baselined in July 2020. Although we found that the South County project has so far met key county code requirements applicable to capital projects, including those for MPA projects and LEED, this project just baselined and is not due to begin MPA quarterly reporting until the end of 2020. We determined that assessing full implementation of this recommendation would require monitoring beyond 30 percent design of the South County project. Rather than continuing to monitor code compliance for SWD's new recycling and transfer stations through our recommendation follow-up efforts for the Factoria Recycling and Transfer Station, we will provide ongoing oversight of these new projects as needed through our capital project oversight role.

## Recommendation 3

June 9, 2015

DONE



## Recommendation 4

DONE



**The Solid Waste Division should include a summary of the contingency and contract allowance use for the Factoria Recycling and Transfer Station Project in the mandated quarterly construction reports to the County Council.**

STATUS UPDATE: SWD explained to us that, rather than adapt the standard template for quarterly construction reports to include summary contingency and contract allowance information, it added this information to the project team's monthly earned value reports. Regularly providing summary information about the use of contingency and contract allowance funds allowed for greater visibility of project costs and the impact of change orders on the project's budget.

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Cindy Drake conducted this review. If you have any questions or would like more information, please contact the King County Auditor's Office at [KCAO@KingCounty.gov](mailto:KCAO@KingCounty.gov) or 206-477-1033.