



KING COUNTY AUDITOR'S OFFICE

DECEMBER 1, 2020

Follow-up on Real Estate Services Audit

Real Estate Services' progress on recommendations advanced, despite challenges from the COVID-19 pandemic. In 2020, the Real Estate Services (RES) section of the Facilities Management Division (FMD) significantly changed its work program, identifying and acquiring properties to support COVID-19 related needs. However, RES still advanced work on the four recommendations that remain from the July 2016 audit. Key among these efforts was completion and selection of a platform for its Comprehensive Facilities Asset Management System, or C-FAM. Although the C-FAM project implementation timeline is extended due to COVID-19, completed project elements directly addressed one of the recommendations.

Consistent effort on internal and external reporting in 2021 may lead to completion of the remaining audit recommendations. The three remaining recommendations are in "progress" status, but are close to accomplishment. Two share a single barrier: reliable completion of an annual report. RES's updated inventory information (prepared for C-FAM) and C-FAM's functionalities will enable RES to complete the annual report, including the contextual information intended for stakeholders; RES shared summary property data informally in 2020. In addition, over the last two years RES collected and analyzed project timeliness data but did not do so this year (for 2019 data) and did not identify measures for non-legislative projects. Focused effort by FMD on collecting, summarizing, and reporting out information RES already has should lead to completion of these recommendations.

Of the eight audit recommendations:

 <p>5 DONE</p>	 <p>3 PROGRESS</p>	 <p>0 OPEN</p>
<p>Fully implemented Auditor will no longer monitor.</p>	<p>Partially implemented Auditor will continue to monitor.</p>	<p>Remain unresolved Auditor will continue to monitor.</p>

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



Recommendation 1 As of April 24, 2018 **DONE** 

Recommendation 2 As of April 24, 2018 **DONE** 

Recommendation 3 As of August 2, 2019 **DONE** 

Recommendation 4 **PROGRESS** 

Based on King County and Facilities Management Division strategic goals and the Real Estate Services (RES) mission statement, the RES section should establish objectives, strategies, measures, and targets for each of its service areas. The performance measurement system should address concerns about the timeliness of the RES section’s services.

STATUS UPDATE: At the time of the last audit follow up (August 2, 2019), RES had made progress on this recommendation by tracking the timeliness of project legislative transmittals. However, RES did not continue to track and report this information in 2020, and it also did not identify timeliness measures for internal projects.

WHAT REMAINS: To complete this recommendation, RES should use its internal project staff time data (or other appropriate measures) and the legislative project milestone measures it already designated to track the progress of real estate projects. Although COVID-19 presents extenuating circumstances for many real estate projects, this information could aid RES in ensuring that process changes related to remote work do not present barriers to project completion—especially for longer term projects.

Recommendation 5 **PROGRESS** 

As Real Estate Services develops policies and procedures, it should also identify areas where changes to King County Code may create efficiencies and improve service delivery outcomes, and share those suggestions as part of its annual report (see Recommendation 8).

STATUS UPDATE: As noted in the last audit follow up, RES proposed legislative changes that, following County Council adoption, greatly aided it in expediting tax title sales. In discussion, RES management noted other examples of potential code revisions discussed since, including an in-process proposal for changes to permit fees for film-related permits.

WHAT REMAINS: To complete this recommendation, RES should provide a summary of proposed and completed changes to code as part of its annual report (see Recommendation 8, below).

Recommendation 6

DONE



Real Estate Services should work with the King County Council and departmental customers to identify specific informational needs related to real estate management, and develop, document, and implement a plan to meet those needs.

STATUS UPDATE: In September 2019, RES contracted with Jones Lang LaSalle (JLL), a commercial real estate services company, to implement its C-FAM. JLL is implementing the IBM TRIRIGA Real Estate and Space Management Modules as the C-FAM vendor. The contract work consists of two main phases; Phase 1 included solution design workshops based in part on feedback RES received during its 2018 customer analysis process improvement effort. RES reported that it has completed Phase 1, including the initial data migration of the work; Phase 2 will complete the system testing, training, and deployment of TRIRIGA. Completion of Phase 2 was delayed to 2021 due to COVID-19 barriers (primarily site visit work), currently anticipated for March.

IMPACT: By identifying real estate data needs and requirements in its C-FAM contract, and implementing Phase 1 of the contract, RES developed, documented, and implemented a plan to meet customer needs. The TRIRIGA platform should significantly help RES in managing its real estate inventory across all county properties, including space use, and allows for easier reporting of summary property information for county stakeholders. These capabilities will enhance RES's capacity to assist its internal county customers in strategic management of facility needs.

Recommendation 7

As of August 2, 2019

DONE



Recommendation 8

PROGRESS



Real Estate Services should provide an annual report to the County Council summarizing how many properties the county owns, their size, and location, along with other comprehensive information that informs strategic decision-making.

STATUS UPDATE: At the time of the last audit follow up, the status of this recommendation reverted to "open" because RES had not created the annual report it envisioned in 2018. This year, RES shared a real estate portfolio report based on the improved property inventory developed for the C-FAM project. However, the report is a sortable Excel data table of the King County property inventory and does not include summary information. It also does not include other guidance information or narrative "that informs strategic decision-making."

WHAT REMAINS: Discussion with RES management reiterated the purpose of the recommendation: that summary information on the County's real estate portfolio, RES's recent activities and existing efforts, and identified barriers would provide decision-makers and stakeholders a current overview of the County's real estate-related work in lieu of waiting—sometimes years—for an update to the Real Asset Management Plan. The annual report need not be exhaustive. Rather, it should provide a template for linking RES's activities and data measures, year to year, with longer term strategic planning, and for documenting directional changes due to immediate circumstances—such as

those resulting from COVID-19. As explained in the audit, annually reporting portfolio-level real estate information is a best practice because it helps address changing circumstances.

To complete this recommendation, RES should develop the template for the annual report and issue it to the County Council, beginning this year. TRIRIGA's reporting capabilities should aid in creating the template and producing the report. At a minimum, the report should include summary property inventory information based on RES's existing data, identified and proposed process and code changes, and other narrative information that contextualizes RES's work over the past year.

Justin Anderson 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 or 206-477-1033.