



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

June 30, 2015

Motion 14384

Proposed No. 2015-0181.2

Sponsors Upthegrove

1 A MOTION approving a work plan for establishing a
2 technical working group to provide review and
3 recommendations regarding capital projects of the
4 wastewater treatment division of the department of natural
5 resources and parks, in accordance with the 2015/2016
6 Biennial Budget Ordinance, Ordinance 17941, Section 110,
7 Proviso P1; and authorizing the release of \$450,000.

8 WHEREAS, the 2015/2016 Biennial Budget Ordinance, Ordinance 17941,
9 Section 110, Proviso P1, states that \$450,000 of the appropriation for wastewater
10 treatment shall not be expended or encumbered until the King County executive transmits
11 by May 1, 2015, a detailed work plan for a technical working group regarding capital
12 projects of the wastewater treatment division of the department of natural resources and
13 parks and a motion approving the plan, and

14 WHEREAS, in accordance with the proviso, the wastewater treatment division
15 has developed a work plan for utilizing a technical working group to review and make
16 recommendations regarding processes the division uses to establish and update planning-
17 level cost estimates identification of a capital project, through the preliminary design
18 process until the project reaches thirty-percent design, and the processes used to consider
19 or reconsider projects between project identification and thirty-percent design;

20 NOW, THEREFORE, BE IT MOVED by the Council of King County:

21 The work plan on establishing a technical working group, which is Attachment A
22 to this motion, is hereby approved, and the \$450,000 currently held in reserve through
23 Ordinance 17941, Section 110, Proviso P1, is hereby released.

24

Motion 14384 was introduced on 5/18/2015 and passed by the Metropolitan King County Council on 6/29/2015, by the following vote:

Yes: 8 - Mr. Phillips, Mr. von Reichbauer, Mr. Gossett, Ms. Hague,
Ms. Lambert, Mr. Dunn, Mr. Dembowski and Mr. Upthegrove
No: 0
Excused: 1 - Mr. McDermott

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



Larry Phillips, Chair

ATTEST:



Anne Noris, Clerk of the Council

Attachments: A. Work Plan Per Ordinance 17941, Section 110, Proviso P1, dated June 3, 2015

**Work Plan per Ordinance 17941, Section 110, Proviso P1--Revised
June 3, 2015**

Introduction

This Work Plan responds to the 2015/2016 Biennial Budget Ordinance 17941, Section 110, Proviso P1, which states, in part:

Of this appropriation, \$450,000 shall not be expended or encumbered until the executive transmits a motion approving a detailed work plan for a technical working group regarding wastewater treatment division capital projects, and the motion is passed by the council.

As directed by Proviso P1, a cost-estimating Technical Working Group will review and make technical recommendations to the King County Executive and Council regarding:

1. Processes to establish and update planning-level cost estimates for Wastewater Treatment Division capital projects, from the time a project is identified through the preliminary design process until the project reaches thirty-percent design completion.
2. Processes the Wastewater Treatment Division uses to consider, or reconsider, projects as they move from project identification to thirty-percent design and the establishment of a baseline budget.

The work plan will identify:

1. Participants in the Technical Working Group, including, at a minimum, Council staff, Executive staff, and interested stakeholders representing the Regional Water Quality Committee (RWQC), and the Metropolitan Water Pollution Abatement Advisory Committee (MWPAAC).
2. The proposed schedule of meetings and deliverable dates for recommendations.
3. A description of third-party facilitation to support the Technical Working Group.

It is anticipated that the recommendations from the Technical Working Group will result in more cost effective and efficient estimating processes.

Background

The Wastewater Treatment Division (WTD) of the Department of Natural Resources and Parks (DNRP) is committed to continuous improvement of estimating processes and estimate accuracy for its capital projects. WTD will procure a cost-estimating consultant to assist the Technical Working Group in its review and development of technical recommendations. This consultant will also assist WTD with the following:

- Improvements to the quality of WTD's long-range planning level and early capital design cost estimates, methods, tools, data sources, and assumptions along with

recommendations on contingency standards for long-range planning level capital cost estimates

- Development of a process to implement independent validation of early capital design cost estimates
- Development of a trend analysis program to document decisions and track costs and changes over time
- Development of metrics for cost estimates
- Development of training materials and staff training on accepted recommendations
- Preparation of alternatives planning level, design level, and construction cost estimates

The procurement process is expected to be concluded by mid-summer 2015, with selection of a consultant completed by August 31, 2015.

Work Plan

The Technical Working Group will have nine members, with Council staff and Regional Water Quality Committee representatives, to be determined by the Council. The DNRP Director’s Office, WTD Director’s Office and WTD’s Project Planning and Delivery Section and Finance Section will also be represented on the working group. These members have participated in WTD’s recent streamlining efforts for its capital program. Finally, the working group also has one member from a peer public agency, such as Sound Transit, and two representatives, recommended by MWPAAC, with experience in cost estimating.

Recommended participants for the Technical Working Group:

Member	Representing
Person 1 – Mike Reed, RWQC Staff	Council Staff
Person 2 – Katy Buck, Office of the RWQC Chair	RWQC
Person 3 – Christie True or Designee	DNRP Director’s Office
Person 4 – Sandra Kilroy	WTD – Director’s Office
Person 5 – Kathy Loland	WTD – Project Planning and Delivery Section
Person 6 – Tom Lienesch	WTD – Finance Section
Person 7 – Adam Strutynski, Sound Transit	Peer Public Agency
Person 8 – Henry Chen	MWPAAC
Person 9 – Andrew Lee	MWPAAC

Timeline

The majority of the work will take place during the remainder of 2015 and throughout 2016. Once WTD has procured a project control and cost-estimating consultant, estimating support will be available to WTD on an as-needed basis for up to five years into 2020. WTD will engage the Technical Working Group on improvements to WTD’s cost estimating and project control processes. Briefings and discussions with the County Executive, the Councilmembers or their designees, RWQC, and MWPAAC will occur throughout the review process at key deliverable milestones. An overview of the schedule and deliverables is provided in Table 1.

Table 1. Technical Working Group – Proposed Schedule and Deliverables

Meeting	Deliverable	Scheduled Date
Kick-off Meeting #1	Develop work plan and schedule meeting dates	3Q 2015
Meeting #2	Review consultant summary of existing WTD cost estimating guidelines, tools, data sources and assumptions	3Q 2015
Meeting #3	Review consultant recommendations for a trend analysis program to document project decisions, costs, and changes over time	4Q 2015
Meeting #4	Review consultant summary of existing WTD contingency policy, utilization, and application	4Q 2015
Meeting #5	Review consultant recommendations for methods, tools, data sources, and assumptions to improve long range planning-level capital cost estimates and develop an associated estimating-guidelines document	4Q 2015
Meeting #6	Review consultant recommendations to implement independent validation of early capital planning-level and design cost estimates	1Q 2016
Meeting #7	Review consultant recommendations to use historical information to inform estimates of likely costs of considered alternatives that may become projects:	1Q 2016
Meeting #8	Review consultant recommendations to improve WTD cost estimating guidelines, tools, data sources, and assumptions	2Q 2016
Meeting #9	Review consultant recommendations to improve existing WTD contingency policy, utilization, and application	2Q 2016
Meeting #10	Review incremental cost-estimating process improvements implemented by WTD since establishment of the Technical Working Group	2Q 2016
Meeting #11	Outline initial Technical Working Group recommendations	3Q 2016
Meeting #12	Draft Technical Working Group recommendations	3Q 2016
Meeting #13	Finalize technical recommendations to the County Executive and Council regarding WTD's: <ul style="list-style-type: none"> • Cost estimating guidelines, tools, data sources, and assumptions • Contingency policy, utilization, and application • Early long-range planning cost estimates • Trend analysis program, documenting project decisions and costs 	4Q 2016

Description of Facilitation

The work of an independent project control consultant needed to support the Technical Working Group will cost up to \$500,000. The cost of this work includes analysis for and participation on the Technical Working Group by the consultant through 2016 and also covers ongoing project control and cost estimating services as requested by WTD through 2018. Specifically, this consultant will provide analysis and recommendations for enhancements to WTD's cost estimating processes and tools used for major capital improvement long-range planning and project delivery.

The cost of this work also includes cost estimating support for WTD's update of the Combined Sewer Overflow plan and Conveyance System Improvement Plan update. The consultant will also provide other estimating support, including some third-party estimate validation, conceptual estimating, estimating alternatives, and construction estimating for WTD's capital program. This investment in consultant services will provide independent development and review of recommendations to improve WTD's cost estimating processes and will result in more cost-effective delivery of projects.

WTD staff will oversee the work of the consultant and support the Technical Working Group. It is anticipated that the consultant will participate in meetings, prepare items for the Technical Working Group and WTD management review, and receive comments, incorporating them into WTD Project Planning and Delivery business processes and associated staff training. Further, the consultant will be available to provide third-party facilitation or support to the Technical Working Group as necessary.

Scope of Work

The Technical Working Group will meet at least quarterly, and more frequently initially, to review the progress and work products of WTD and its consultant pertaining to:

1. The processes to establish and update planning-level cost estimates for WTD capital projects, from the time that a project is identified through the preliminary design process until the project reaches the thirty-percent design completion.
2. The processes WTD uses to consider, or reconsider, projects as they move from project identification to thirty-percent design and the establishment of a baseline budget.

The Technical Working Group may review cost management recommendations and implemented improvements by WTD and its consultant, including but not limited to:

- Contingency policy, utilization, and application, including contingency standards for long-range planning level capital cost estimates
- Methods, tools, data sources, and assumptions to improve long-range planning level capital cost estimates
- Independent validation of early capital planning-level and design cost estimates

- Implementation and staff training of WTD cost-management process improvements and associated estimating guidelines
- Implementation and staff training of WTD trend analysis to document project decisions, costs, and changes over time
- Implementation and effectiveness of improvements made to WTD conceptual, alternative planning level, design level, and construction cost estimates.

Associated Activities

The Technical Working Group may also review correlating policies, procedures, and activities, including but not limited to:

- King County Capital Project Management Work Group guidelines, tools, and templates
- WTD Continuous Improvement Capital Project Streamlining Initiatives
- Recommendations of the Expert Review Panel and another independent consultant panel evaluating WTD's Project Oversight Effectiveness.