



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

June 15, 2004

Ordinance 14941

Proposed No. 2004-0264.1

Sponsors Patterson and Phillips

1 AN ORDINANCE related to productivity in the King
2 County wastewater program; clarifying participation of
3 represented bargaining units in the wastewater division;
4 codifying the productivity initiative for the wastewater
5 program and extending the initiative to major capital
6 projects and the asset management program for
7 metropolitan water pollution abatement facilities; making
8 technical corrections; amending Ordinance 12014, Section
9 38, and K.C.C. 3.13.015 and Ordinance 12014, Section 39,
10 and K.C.C. 3.13.020, adding a new section to K.C.C.
11 chapter 28.86 and repealing Ordinance 12014, Section 35,
12 as amended, and K.C.C. 3.12.363.

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STATEMENT OF FACTS:

- 16 1. King County is committed to working with its employees and labor
17 unions to identify the most efficient manner to successfully deliver
18 services to its customers and clients.
- 19 2. King County is responsible for providing wastewater conveyance and
20 treatment services in the region and owns and operates certain wastewater
21 treatment facilities.
- 22 3. The King County wastewater program ("WWP"), a program of certain
23 sections from within the wastewater treatment division and water and land
24 resources division of the department of natural resources and parks, has
25 the responsibility for the planning, design and construction, maintenance
26 and operations, finance and administration for the wastewater conveyance
27 and treatment system.
- 28 4. In response to the increasing public demand for demonstration that
29 sewer rates paid for wastewater conveyance and treatment services are
30 being held as low as possible, while protecting the environment and
31 human health, in 2001 the council, by adopting Motion 11156, endorsed
32 and the WWP instituted a productivity initiative with respect to the
33 operations and maintenance of the wastewater conveyance and treatment
34 system.
- 35 5. The adopted productivity initiative called for the development of an
36 incentive plan to recognize performance that exceeds the established cost
37 targets for the WWP capital program.

38 6. In accordance with the goals and intentions in Motion 11156 and
39 Motion 11893, the WWP seeks to extend the productivity initiative to the
40 wastewater capital program, with potential for cost savings for the public
41 and productivity incentives for WWP employees.

42 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

43 SECTION 1. Ordinance 12014, Section 35, as amended, and K.C.C. 3.12.363 are
44 each hereby repealed.

45 SECTION 2. Ordinance 12014, Section 38, and K.C.C. 3.13.015 are each hereby
46 amended to read as follows:

47 **Quality improvement employee awards program established – awards**
48 **committee – administration and support – annual reports to council.**

49 A. (~~Establishment of Program.~~) There is hereby created a quality improvement
50 employee awards program. The program is established to offer recognition to quality
51 improvement work teams or individuals whose efforts improve the delivery of services to
52 county residents and/or achieve cost savings while maintaining or bettering the present
53 quality of service delivery.

54 B. (~~Awards Committee.~~) An awards committee is hereby established to
55 evaluate quality improvements and cost savings and to determine monetary and non-
56 monetary awards consistent with the provisions of this chapter. The awards committee
57 shall be comprised of an appointee of the council, a representative of the executive, the
58 chief budget officer in the executive branch, and four representatives from executive
59 departments appointed by the executive. The chief budget officer shall serve as the chair

60 of the committee and shall convene meetings of the committee as necessary to conduct
61 business but not less than quarterly.

62 C. (~~Administration and Support.~~) The executive shall establish administrative
63 guidelines for the program. The executive shall ensure that each department director
64 supports the program and provides adequate resources, within appropriations, to support
65 the program.

66 D. (~~Annual Reports to Council.~~) By March 1, 1997, and March 1 of every year
67 thereafter, the executive shall submit a report to the council on the previous year's
68 achievements and awards under the program and recommendations for improvements to
69 the program.

70 SECTION 3. Ordinance 12014, Section 39, and K.C.C. 3.13.020 are each hereby
71 amended to read as follows:

72 **Eligibility (~~(C)~~)criteria – employee eligibility – project eligibility --**
73 **recommendations.**

74 A. (~~Employee Eligibility.~~) Participation in the quality improvement employee
75 awards program shall be limited to full-time regular and part-time regular employees, but
76 shall not apply to those employees who are subject to the productivity incentive program
77 and the productivity initiative for the wastewater program under section 4 of this
78 ordinance.

79 B. (~~Project eligibility.~~) Quality improvements eligible for award are those that
80 demonstrate measurable improvements in one or more of the following areas:

81 1. Improved operating methods or procedures, resulting in increased
82 productivity.

- 83 2. Improved customer or employee satisfaction;
- 84 3. Improved cycle time or efficiency;
- 85 4. Increased revenue;
- 86 5. Decreased costs; or
- 87 6. Conservation of resources.

88 C. (~~Recommendations~~) Department directors and division managers may
89 recommend to the awards committee awarding work teams and individual employees
90 whose projects and suggestions meet the established criteria. The administrative
91 guidelines established by the executive shall identify other means by which employees
92 may nominate work teams and individual employees for evaluation and awards.

93 NEW SECTION. SECTION 4. There is hereby added to K.C.C. chapter 28.86 a
94 new section to read as follows:

95 **Productivity initiative for the wastewater program.**

96 A.1. The executive shall develop and implement a productivity initiative for the
97 wastewater program that would include implementing business plans, meeting annual
98 budget targets, creating an incentive fund, continuing to work collaboratively with labor,
99 developing service agreements with county support agencies and modifying certain
100 internal wastewater program administrative policies.

101 2. The goals of the productivity initiative are to:

- 102 a. continue providing high quality wastewater treatment and conveyance
103 services to the region;
- 104 b. use private sector models to improve management of the wastewater
105 program;

- 106 c. improve cost efficiencies;
- 107 d. provide savings to the public;
- 108 e. define target budgets and accountability measures for meeting those targets;
- 109 f. continue working collaboratively with labor; and
- 110 g. allow employees to be creative in meeting the vision of becoming the best
111 wastewater program.

112 B.1 The productivity incentive program, referred to in this subsection as
113 "program," is hereby created as a component of the productivity initiative. The goals of
114 the program are to: provide financial incentives to employees to achieve higher than
115 projected savings to the wastewater treatment ratepayers; encourage teamwork; and
116 encourage employee involvement in and ownership of the business.

117 2. Except as otherwise excluded in this subsection, represented and
118 nonrepresented full-time and part-time regular and term-limited temporary employees in
119 the wastewater program, which provides design/construction, maintenance and
120 operations, planning, finance and administration, technology assessment, environmental
121 laboratory, and industrial waste program services are eligible to participate in the
122 program. However, the wastewater division manager and the wastewater division
123 assistant manager are not eligible.

124 3. The executive shall establish a reserve subaccount known as the productivity
125 incentive fund, in the wastewater treatment reserves fund. This reserve subaccount shall
126 receive a pro rata share of interest earnings from the wastewater treatment reserves fund.

127 4. The productivity incentive fund oversight committee is hereby created and
128 shall be responsible for oversight of the productivity incentive fund. The committee shall

129 have the authority and responsibility to determine the distribution and use of the fund,
130 subject to the approval of the wastewater treatment division manager. Membership in the
131 productivity incentive fund oversight committee shall include:

132 a. represented employees approximately proportional to each union's
133 percentage of employees in the wastewater program;

134 b. nonrepresented employees approximately proportional to their percentage of
135 employees in the wastewater program;

136 c. two wastewater program management representatives; and

137 d. ex officio, nonvoting membership including, but not limited to, the office of
138 the executive and the department of executive services, finance and business operations
139 division.

140 5. It is the intent of the council that the productivity incentive fund be used to
141 support a variety of incentives including, but not limited to:

142 a. provision of additional training opportunities for employees;

143 b. investments in productivity improvement projects;

144 c. funding overexpenditures on asset management and operating projects;

145 d. monetary payments or awards to employees; and

146 e. employee awards and recognition.

147 C.1. The productivity initiative for the wastewater program also applies to the
148 wastewater program's capital improvement program.

149 2.a. The objectives of extending the productivity initiative to the wastewater
150 program's major capital improvement projects are to:

151 (1) provide savings to ratepayers through the appropriate use of approved
152 contracting methods and more efficient management of consultants and contractors;

153 (2) refine and improve the accuracy of cost estimating for major capital
154 improvement projects; and

155 (3) test the efficacy of different approved contracting methods and contract
156 incentives in reducing the overall cost and time needed to complete major capital
157 improvement projects.

158 b. For a major capital improvement project, which, for the purposes of this
159 section, means a capital improvement project with an estimated cost of one million
160 dollars or more, to be eligible for the productivity initiative, the wastewater treatment
161 division must use the following best practices:

162 (1) determining the difference between the level of service of the current
163 capital assets and the needed level of service for the new or upgraded asset. The
164 wastewater treatment division shall identify how the project under consideration will
165 achieve the planned or required results;

166 (2) evaluating alternative approaches to achieving the results;

167 (3) integrating organizational goals into the major capital decision-making
168 process;

169 (4) establishing a review and approval framework supported by analysis;

170 (5) tracking project costs, schedule and performance; and

171 (6) evaluating results and incorporating lessons learned.

172 c. Project targets for major capital improvement projects in the productivity
173 initiative shall be determined by an independent third party.

174 3.a. The objectives of extending the productivity initiative to the wastewater
175 program's asset management program are to:

176 (1) provide savings to ratepayers through the development of a more strategic
177 approach to the maintenance and replacement of wastewater assets;

178 (2) refine and improve the accuracy of budget forecasting for wastewater asset
179 management;

180 (3) improve reliability of the wastewater treatment system;

181 (4) test new asset management techniques on a subgroup of assets and
182 determine the applicability of these techniques to the rest of the wastewater system;

183 (5) compare the costs of using in-house resources to perform small capital
184 construction projects versus the more traditional practice of contracting out this work;
185 and

186 (6) provide incentives for employees to develop innovative approaches to asset
187 management.

188 b. Application of the productivity initiative for the wastewater program to asset
189 management maintenance and replacement projects shall be limited to categories of
190 assets for which detailed information on historical maintenance costs, current
191 replacement costs, and a determination of remaining useful life have been developed.

192 4. Certain capital program work of the wastewater program has traditionally
193 been performed by independent contractors procured by the county rather than county
194 employees. If the wastewater program begins to use county employees for all or any
195 portion of such capital program work in connection with implementation of the

196 productivity initiative, subsequent use of independent contractors shall not be limited as a
197 result of this temporary pilot project.

198 5.a. The executive shall, by June of each year, file with the clerk of the council
199 for distribution to the chair of the council and the chair of the labor, operations and
200 technology committee, or its successor committee, an annual report that evaluates the
201 implementation of the productivity initiative for the wastewater program. Based on the
202 experience, data and analysis from 2004 and 2005, the executive shall, by June 2006, file
203 with the clerk of the council for distribution to the chair of the council and the chair of the
204 labor, operations and technology committee, or its successor committee,
205 recommendations for modifications that may be needed, together with any necessary
206 proposed legislation, to help further the goals and objectives outlined in this section.

207 b. The executive shall facilitate a thorough review of the productivity initiative
208 for the wastewater program no later than December 31, 2010. The review shall be
209 undertaken by an independent third party hired and supervised by the county auditor,
210 with input from the wastewater program, and shall provide for a report to the council,
211 which shall be filed with the clerk of the council for distribution to the chair of the
212 council and the chair of the labor, operations and technology committee, or its successor
213 committee. The review is to determine how effective the productivity initiative has been
214 in achieving the goals and objectives in this section.

215 c. The productivity initiative for the wastewater program expires April 30,
216 2011, unless before that date an ordinance is enacted to continue the productivity
217 initiative. Any major capital improvement project included in the productivity initiative,
218 for which targets have been set by April 30, 2011, as specified in subsection C.2.c of this

219 section, may continue with provisions of the productivity initiative applied through the
220 completion of the project.

221 6. King County's wastewater treatment system shall continue to be maintained
222 as a public facility and shall be managed and operated by public employees for so long as
223 the productivity initiative is in effect.

224

Ordinance 14941 was introduced on 6/1/2004 and passed by the Metropolitan King
County Council on 6/14/2004, by the following vote:

Yes: 13 - Mr. Phillips, Ms. Edmonds, Mr. von Reichbauer, Ms. Lambert, Mr.
Pelz, Mr. McKenna, Mr. Ferguson, Mr. Hammond, Mr. Gossett, Ms. Hague,
Mr. Irons, Ms. Patterson and Mr. Constantine

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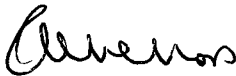
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KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



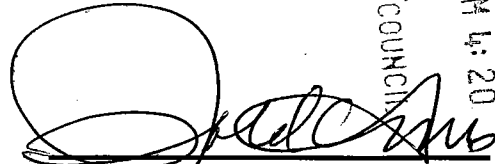
Larry Phillips, Chair

ATTEST:



Anne Noris, Clerk of the Council

APPROVED this 23 day of June, 2004.



Ron Sims, County Executive

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CLERK
KING COUNTY COUNCIL

Attachments None