



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

March 2, 2010

Ordinance 16764

Proposed No. 2009-0523.3

Sponsors Ferguson, Dunn, Phillips, Lambert,
Patterson, Hague and Drago

1 AN ORDINANCE providing for appropriation by phases
2 for high-risk capital projects and establishing standardized
3 requirements for capital project reporting and cost-
4 estimating; amending Ordinance 12076, Section 2, as
5 amended, and K.C.C. 4.04.020, Ordinance 12076, Section
6 3, as amended, and K.C.C. 4.04.030, Ordinance 14743,
7 Section 6, and K.C.C. 4.04.265, Ordinance 13035, Section
8 5, as amended, and K.C.C. 4.04.270, Ordinance 14811,
9 Section 6, and K.C.C. 4.04.273, Ordinance 14452, Section
10 5, and K.C.C. 4.04.275, Ordinance 14122, Section 6, as
11 amended, and K.C.C. 4.04.280, Ordinance 14921, Section
12 6, and K.C.C. 4.06.040 and adding new sections to K.C.C.
13 chapter 4.04.

14 STATEMENT OF FACTS:

- 15 1. On June 22, 2009, the state Auditor released an Accountability Audit
16 Report of King County, wherein the state Auditor expressed concerns
17 about oversight of capital projects.
- 18 2. The council has previously taken significant steps to provide capital
19 project oversight. For example, in 2006, the council created a capital

20 projects oversight office in the county auditor's office that oversees the
21 county's large capital construction projects. In 2008, the council required
22 the executive to transmit a critical analysis report for all current capital
23 improvement projects over seven hundred fifty thousand dollars. These
24 are just two of many capital projects oversight actions that the council has
25 taken.

26 3. The state Auditor found that "lack of adequate performance measures
27 and expectations prevent the King County Executive and Council from
28 providing adequate oversight of construction activity." The state Auditor
29 noted, "We believe some of the variances [between initial budget and final
30 project cost] may be attributed to poor budget estimation, inaccurate or
31 incomplete project specifications and/or inadequate cost controls."

32 4. On July 13, 2009, the council passed Motion 13026, directing that the
33 council consider legislation by September 15, 2009, that would require
34 phased appropriation of funding for high-risk capital projects and create
35 standard reporting and cost-estimating requirements for all capital
36 projects. This ordinance is in response to that directive.

37 5. The legislation incorporates recommendations from the King County
38 Capital Project Oversight - Phase 1 Report A produced by PMA
39 Consultants in August 2007, "Design of a Model for the Auditor's Office
40 Capital Project Oversight Reporting" and was developed with extensive
41 input from executive agencies.

42 6. In 2010, the executive will review all sections of the King County code
43 that pertain to capital projects, with the goal of developing clear,
44 consistent and meaningful standards for effective capital project reporting
45 and appropriation requests, clarifying standards for submittal of all capital
46 budget appropriation requests and removing duplicative sections.

47 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

48 NEW SECTION. SECTION 1. A. This ordinance is intended to enhance the
49 county's ability to identify high-risk capital projects, provide greater scrutiny of high-risk
50 capital projects, and promote accountability of government spending.

51 B. It is further the county's intent that a select group of high-risk capital projects
52 receive closer council scrutiny and rigorous cost controls each year. The number of
53 projects selected for high-risk review should be small enough to allow for focused,
54 meaningful oversight by the council and executive.

55 C. It is further the county's intent that all capital project appropriation requests be
56 accompanied by a consistent, comprehensive set of scope, schedule and budget
57 information that will allow more comprehensive tracking of projects.

58 NEW SECTION. SECTION 2. There is hereby added to K.C.C. chapter 4.04 a
59 new section to read as follows:

60 A. For the purposes of this section:

61 1. "Capital projects oversight program" means the function within the King
62 County auditor's office to oversee King County's large capital construction projects that
63 was initially funded within the 2007 annual budget;

64 2. "Earned value management" means an analysis of how much has been
65 accomplished on a capital project to date compared to the project's planned scope,
66 schedule and cost. It includes a plan that identifies work to be accomplished, a valuation
67 of planned work, and predefined earning rules that quantify how to measure the
68 accomplishment of work;

69 3. "Eligible capital project" means a capital project as defined in K.C.C.
70 4.04.020, except it does not include information technology projects, transit acquisitions,
71 affordable housing and community development projects that are developed and managed
72 by noncounty entities, energy savings performance contracts or lease-based projects;

73 4. "Estimate at completion" means a forecast of cost and time to complete a
74 project. The estimate at completion includes the amount of cost and time incurred to date
75 plus remaining forecasted cost and time;

76 5. "High-risk project" means an eligible capital project with characteristics that
77 increase its likelihood of being completed late or over budget at a potentially significant
78 financial cost or other significant impact to the county. Whether an eligible capital
79 project is a high-risk project shall be determined by the process in subsection C. of this
80 section;

81 6. "Joint advisory group" means the real estate and major capital project review
82 joint advisory group created in K.C.C. chapter 4.06;

83 7. "Lease-based project" means a project where a lease-purchase or lease-
84 leaseback agreement is proposed, pursuant to Chapter 35.42 RCW, that transfers
85 construction risk to a developer or not-for-profit intermediary and provides the

86 contractual basis for obtaining funding from a third party to finance construction of the
87 project;

88 8. "Project baseline" means the scope, schedule and budget set at the conclusion
89 of the preliminary design phase when the preferred alternative has been selected and
90 design has progressed adequately to make reasonable and informed commitments, at
91 thirty to forty percent design. Project baseline is used as a basis for variance reporting
92 and performance measurement;

93 9. "Project management plan" means a formal document that defines how the
94 project is executed, monitored and controlled. The objective of the project management
95 plan is to define the approach and schedule to be used by the project team to deliver the
96 intended project scope.

97 10. "Risk register" means a document that identifies potential events that could
98 impact cost, schedule, or scope. The document formulates plans for addressing those
99 risks.

100 11. "Rough order of magnitude cost estimate" means an early cost estimate
101 based on approximate cost models; and

102 12. "Total project cost estimate" means the estimated project cost from the start
103 of planning through project closeout. If the project has a range of potential project costs,
104 the total project cost estimate is the highest cost in the range.

105 B.1. For any eligible capital project with a total project cost estimate of over ten
106 million dollars, the executive shall transmit risk score results to the joint advisory group
107 each year in accordance with the process identified in subsection C.1. of this section
108 under the following circumstances:

109 a. the appropriation request for the project will be over two hundred thousand
110 dollars or the appropriation request plus the project's prior appropriations will collectively
111 exceed two hundred thousand dollars;

112 b. the project has not yet had a high-risk determination from the joint advisory
113 group that was made after setting the project baseline; and

114 c. the project has not entered the construction phase.

115 2. The high-risk determination by the joint advisory group shall be made in
116 accordance with the process outlined in subsection C. of this section.

117 3. High-risk projects shall provide supporting data in accordance with the
118 requirements of subsections F. through H. of this section beginning with the next phase
119 for which appropriation authority is requested.

120 C.1. The capital projects oversight program shall develop a risk scoring
121 instrument for assessing whether an eligible capital project is a high-risk project. The
122 instrument shall be submitted to the joint advisory group for its approval.

123 2. The risk scoring instrument shall be used by the implementing agency to
124 generate a risk score for all projects that are required to be scored under subsection B.1.
125 of this section.

126 3. The risk scoring instrument shall use information such as complexity of
127 regulatory requirements, interdependencies with other projects and programs, schedule
128 constraints, implementing agency resources, project delivery method, complexity of
129 property acquisition issues, public impact, risks inherent to the likely construction
130 technology, or any other issues that could have a significant impact on the ability of the
131 project to meet baseline scope, schedule or budget.

132 4. The implementing agency director shall ensure that the risk scoring has been
133 completed by qualified staff who does not report to the project manager, to anyone who
134 reports to the project manager, or to anyone to whom the project manager directly
135 reports.

136 5. By March 1, the executive shall electronically transmit all risk score results
137 for eligible capital projects that require a risk score that year to the clerk of the council,
138 who will retain an electronic copy and distribute electronic copies to the manager of the
139 capital projects oversight program and the co-chairs of the joint advisory group or their
140 designees, except that scoring results for eligible capital projects that received
141 appropriations in 2010 shall be transmitted to the clerk of the council by July 31, 2010.

142 6. By the end of the first quarter of each year, or by the end of the third quarter
143 in the year in which this ordinance is enacted, the joint advisory group, in consultation
144 with the capital projects oversight program and using the risk scores for guidance, shall
145 determine which projects for which it has received risk scores are high-risk projects. The
146 joint advisory group may change the risk status of any of those projects when the joint
147 advisory group receives an updated risk score.

148 7. The capital projects oversight program may recommend to the joint advisory
149 group changes to the risk scoring instrument, but a new risk scoring instrument may be
150 used only if the joint advisory group approves the instrument and provides an effective
151 date for agency use of the instrument.

152 8. The joint advisory group shall file an electronic list of all eligible capital
153 projects for which it has changed the high-risk status designation, including risk score
154 and change in high-risk status, with the clerk of the council who will retain an electronic

155 copy and distribute electronic copies to the chair of the budget and fiscal management
156 committee or its successor and the manager of the capital projects oversight program.

157 9. Each agency or department that has at least one eligible capital project with a
158 total project cost estimate of over ten million dollars should have at least one project
159 designated as a high-risk project by the joint advisory group.

160 10. The executive may designate any eligible capital project as a high-risk
161 project by letter or the council may designate any eligible capital project as a high-risk
162 project by motion. Thirteen copies of the letter or motion shall be filed with the clerk of
163 the council for distribution to all councilmembers, the co-chairs of the joint advisory
164 group or their designees and the manager of the capital projects oversight program.

165 D. For purposes of identifying when an eligible capital project has entered a
166 particular phase and when subsections F. through H. of this section apply, phases include
167 preliminary design, design, construction and close-out, and the following characteristics
168 shall be used as a guide:

169 1. The preliminary design phase is when evaluation and analysis of potential
170 project alternatives occurs. Based on analysis, the preferred alternative is selected and
171 designed sufficiently to establish a project baseline, at thirty to forty percent design.
172 Activities requiring long lead times, such as land acquisition or permitting may be
173 initiated during this phase. Some planning activities may occur prior to the preliminary
174 design phase;

175 2. The design phase is the time during which design is completed, permits and
176 other permissions are secured, and necessary land, rights-of-way, and easements are
177 acquired so that the project (or staged elements of the project consistent with the project

178 management plan) can proceed to construction. The design phase also includes
179 development of a cost estimate, plans, specifications and a bid package. It is expected
180 that the range of uncertainty associated with project cost estimates decreases as the
181 design progresses. Activities to procure materials and equipment that require long lead
182 times may be initiated during this phase. For projects with alternative delivery methods,
183 such as general contractor-construction manager projects, the design phase may include
184 some construction activities that occur before completion of project plans and
185 specifications;

186 3. The construction phase is the time during which the project is constructed or
187 implemented. This also includes the testing, inspection, adjustment, correction and
188 certification of facilities and systems to ensure that the project performs as specified. The
189 construction phase ends with final acceptance of the project; and

190 4. Close-out follows final acceptance and consists of administrative processes
191 and associated accounting activities to close out all contracts. It may include multi-year
192 monitoring. It should comprise no more than three percent of the total project cost.

193 E.1. When submitting a capital budget appropriation ordinance or an additional
194 or amended capital budget appropriation ordinance to the council that includes an
195 appropriation for a high-risk project, the executive shall submit supporting data as
196 identified in subsections F. through H. of this section. For any item required by
197 subsections F. through H. of this section that the executive does not provide with the
198 appropriation request, the executive shall provide a detailed explanation of why it cannot
199 be provided and, if the item is to be provided later, identify the date by which the item
200 will be provided.

201 2. For some eligible capital projects, one or more phases may run concurrently,
202 such as projects requiring staged construction due to site constraints or operational needs,
203 or performed under a declaration of emergency. Some nonconstruction eligible capital
204 projects, such as land acquisition, may not utilize all of the capital project phases.

205 a. When submitting a capital budget appropriation ordinance or an additional
206 or amended capital budget appropriation ordinance to the council where the appropriation
207 request encompasses work performed in more than one phase of a high-risk project, not
208 including the close-out phase, the executive shall submit as supporting data an
209 explanation of the cost and schedule factors necessitating appropriation for more than one
210 phase. The executive shall also submit as supporting data a schedule for reporting those
211 supporting items required by subsections F. through H. to the council. The schedule and
212 items to be reported shall match milestones identified in the project management plan.
213 The reports shall be filed with the clerk of the council for distribution to the chair of the
214 budget and fiscal management committee or its successor.

215 b. The council should consider placing expenditure restrictions upon the
216 appropriation that release funds contingent upon appropriate further action.

217 F. When submitting a capital budget appropriation ordinance or an additional or
218 amended capital budget appropriation ordinance to the council that encompasses work
219 performed in the preliminary design phase of a high-risk project, the appropriation
220 request may include up to ten percent of the funding for the design phase. The executive
221 shall, in addition to the requirements of section 4 of this ordinance, provide the following
222 supporting data:

223 1. Identify design criteria;

224 2. Provide an estimate of preliminary design costs, start and end dates for the
225 preliminary design phase, and a rough order of magnitude cost estimate, which may be
226 expressed as a range, for design and construction phases;

227 3. Provide a planned schedule that shows the anticipated start and finish dates
228 for each major task for the preliminary design phase, and for the design and construction
229 phases, provide the anticipated start and finish dates for major work through completion;

230 4. Identify stakeholders;

231 5. Identify regulatory requirements and highlight any regulatory requirements
232 that increase project risk; and

233 G. When submitting a capital budget appropriation ordinance or an additional or
234 amended capital budget appropriation ordinance to the council that encompasses work
235 performed in the design phase of a high-risk project, the executive shall, in addition to the
236 requirements of section 4 of this ordinance, provide the following supporting data:

237 1. Describe the alternatives considered, including a summary of life-cycle cost
238 analysis performed for feasible alternatives progressing to further design, and identify the
239 recommended alternative or alternatives with detailed scope description;

240 2. Provide a summary of the results of a formal schedule and cost risk
241 assessment conducted by an external consultant or staff who does not report to the project
242 manager, to any person who reports to the project manager, or to anyone to whom the
243 project manager directly reports;

244 3. Provide the project baseline, if set by the time of the appropriation request;

245 4. Certify that the implementing agency completed a cost estimate validation
246 process to provide an independent evaluation of the project's cost estimates using an

247 external consultant or staff who does not report to the project manager, to any person who
248 reports to the project manager, or to anyone to whom the project manager directly
249 reports;

250 5. Certify that significant progress has been made in environmental review and
251 public outreach, identify steps remaining in the environmental review process, and
252 summarize major issues;

253 6. Identify permits, acquisitions, and relocations, address mitigations, and
254 highlight any of these that increase project risk to scope, schedule or budget;

255 7. Certify that application for external funding has begun, if applicable; and

256 8. For projects with alternative delivery methods that contemplate a need for
257 early construction costs, provide an explanation of the need.

258 H.1. When submitting a capital budget appropriation ordinance or an additional
259 or amended capital budget appropriation ordinance to the council that encompasses work
260 performed in the construction phase of a high-risk project, the executive shall, in addition
261 to the requirements of section 4 of this ordinance, provide the following supporting data:

262 a. certify that plans, specifications, estimates and contract documents reflect a
263 level of design completion that is sufficient to support a final cost estimate and schedule
264 for proceeding to procurement and specify the ready date for proceeding with the selected
265 procurement method for the project;

266 b. certify that all required nonconstruction permits are in place in accordance
267 with the project management plan or provide status of pending approvals and the
268 expected date of receipt;

269 c. certify that all land acquisition, lease documents, and partnership agreements
270 are in place in accordance with the project management plan or provide status of pending
271 actions and expected date of receipt; and

272 d. certify that the implementing agency completed a cost estimate validation
273 process to provide an independent evaluation of the project's cost estimates using an
274 external consultant or staff who does not report to the project manager, to any person who
275 reports to the project manager, or to anyone to whom the project manager directly
276 reports.

277 2. The executive shall provide quarterly reports during the construction phase of
278 a high-risk project. The quarterly report shall address performance relative to project
279 baseline, highlight any significant variance from project baseline, summarize the top risks
280 in the risk register, summarize change orders, explain change orders that have the
281 cumulative potential to carry the project over project baseline and summarize the results
282 of the latest earned value analysis. Five copies of each report shall be filed with the clerk
283 of the council, who shall retain a copy and distribute copies to the chair of the budget and
284 fiscal management committee or its successor, the co-chairs of the joint advisory group or
285 their designees and the manager of the capital projects oversight program.

286 I.1. The implementing agency shall establish and maintain a risk register for each
287 high-risk project. The risk register shall be developed consistent with industry standards.

288 2. The implementing agency shall update the risk register at least quarterly, or
289 more frequently should significant changes or additions be identified by the
290 implementing agency.

291 J.1. The implementing agency shall employ earned value management on high-
292 risk projects to forecast unfavorable variations in final project cost or completion date,
293 based on progress to date.

294 2. Agencies shall apply earned value management tools and methods to the
295 design and construction phases. The earned value management tools and methods, and
296 the format and level of detail reported, shall be appropriate for the phase of the project
297 and the associated level of certainty regarding cost and schedule estimates. Tools for
298 earned value management may include forecasting estimate at completion for design
299 phase and use of earned value analysis for the construction phase.

300 3. The analysis shall be updated at least monthly.

301 NEW SECTION. SECTION 3. There is hereby added to K.C.C. chapter 4.04 a
302 new section to read as follows:

303 A. For purposes of this section, "lease-based project" is as defined in section 2 of
304 this ordinance. The phases of a lease-based project are the planning, predevelopment and
305 lease phases.

306 1. The planning phase is the time during which the county develops the scope of
307 work including an estimate of project size, construction cost, and tenant improvements.
308 The procurement process for the developer is completed in this phase.

309 2. The predevelopment phase is the time during which the county in conjunction
310 with the developer identifies and analyzes potential alternatives, selects the preferred
311 alternative and evaluates the technical and economic feasibility of the project. The
312 preferred alternative is engineered to approximately thirty percent design. The draft lease

313 agreement is agreed to in principle by the developer and the executive at the completion
314 of the predevelopment phase.

315 3. The lease phase is when the executive requests council approval to enter into
316 a lease agreement for the project.

317 B. When submitting a capital budget appropriation ordinance or an additional or
318 amended capital budget appropriation ordinance to the council that encompasses work to
319 be performed in the planning phase of a lease-based project, the executive shall provide
320 as supporting data a cost estimate that details the anticipated cost for each major task
321 required to complete the predevelopment phase.

322 C. When submitting a capital budget appropriation ordinance or an additional or
323 amended capital budget appropriation ordinance to the council that encompasses work to
324 be performed in the predevelopment phase of a lease-based project, the executive shall
325 provide as supporting data an estimate of project size, construction cost and tenant
326 improvements, and a description of performance requirements and space needs.

327 D. When submitting an ordinance requesting council approval to enter into a
328 lease agreement for a lease-based project, the executive shall provide supporting data as
329 follows:

- 330 1. Identify design criteria;
- 331 2. Provide a financial analysis of the project;
- 332 3. Provide the draft lease agreement agreed to by the executive and developer;
- 333 4. Provide the development team's pro forma cost plan for the design and
334 construction of the project;

335 5. Provide a description and an analysis of the feasible alternatives considered,
336 and identify the recommended alternative;

337 6. Provide planned schedule that shows the anticipated start and finish dates for
338 each major task, consistent with the development team's pro forma cost plan;

339 7. Identify stakeholders;

340 8. Identify regulatory requirements;

341 9. Report variance of predevelopment phase major task performance from the
342 schedule and cost estimate provided for the predevelopment phase.

343 E. For any item required by subsections B. through D. of this section that the
344 executive does not provide with the appropriation request, the executive shall provide a
345 detailed explanation of why it cannot be provided and, if the item is to be provided later,
346 identify the date by which the item will be provided.

347 NEW SECTION. SECTION 4. There is hereby added to K.C.C. chapter 4.04 a
348 new section to read as follows:

349 A. When submitting a capital budget appropriation ordinance or an additional or
350 amended capital budget appropriation ordinance to the council, the executive shall
351 include the following supporting data using a standard format, in the form of an
352 electronic database when possible:

353 1. Project number, project title, program, division, department, council district,
354 fund number and fund name;

355 2. A brief description of the project and the project's purpose, including
356 importance with respect to the implementing agency's priorities and goals, and
357 consequences of deferral or disapproval;

- 358 3. Current phase of project, phase status and whether the project has been
359 designated as a high-risk project by the joint advisory group;
- 360 4. Project baseline, if established, and explanation of any significant variance
361 from it;
- 362 5. An explanation of alternatives considered;
- 363 6. Appropriation and expenditure amounts to date;
- 364 7. Current-year appropriation requested amount;
- 365 8. Estimated cost through project closeout, which may be expressed as a range if
366 baseline is not established;
- 367 9. Explanation of how contingency amounts were determined or reference to
368 applicable county policy;
- 369 10. Explanation of how inflation is incorporated or reference to applicable
370 county policy;
- 371 11. Identification of funding sources, funding status, and funding risks; and
- 372 12. Description of key project risks, including summary of top risks in the risk
373 register if applicable.
- 374 B.1. Capital project cost estimates shall be prepared in accordance with
375 applicable industry standards, requirements of external funding sources and county
376 policies, including but not limited to standards regarding estimate accuracies,
377 methodology for determining contingency included for uncertainty, and the cost index
378 used to define the value of money.
- 379 2. The level of detail incorporated within each estimate shall be commensurate
380 with the information available at each phase, and shall be consistent with the Association

381 for the Advancement of Cost Engineering International cost estimate classification
382 system. The estimates for all succeeding phases shall be updated to represent the latest
383 project information.

384 NEW SECTION. SECTION 5. There is hereby added to K.C.C. chapter 4.04 a
385 new section to read as follows:

386 The King County auditor's office, in consultation with the joint advisory group,
387 shall conduct a review of sections 2 and 3 of this ordinance and make a report to the
388 council by April 15, 2012. The review shall evaluate the scoring tool used in identifying
389 high risk projects and the extent to which the reporting requirements for high-risk
390 projects are providing beneficial information to the council, executive and capital projects
391 oversight program. The report required to be submitted by this subsection must be filed
392 in the form of a paper original and an electronic copy with the clerk of the council, who
393 shall retain the original and provide an electronic copy to all councilmembers.

394 SECTION 6. Ordinance 12076, Section 2, as amended, and K.C.C. 4.04.020 are
395 each hereby amended to read as follows:

396 The definitions in this section apply throughout this chapter unless the context
397 clearly requires otherwise.

398 A. "Acquisition of right of way" or "land acquisition" means funds budgeted for
399 the purchase of property rights, excluding county force charges of the facilities
400 management division.

401 B. "Adopted" means approval by council motion or ordinance.

402 C. "Agency" means a county office, officer, institution whether educational,
403 correctional or other, department, division, board commission, except as otherwise
404 provided in this chapter.

405 D. "Allocation" means a part of a lump sum appropriation that is designated for
406 expenditure by either a specific organization unit or for specific purposes, or both.

407 E. "Allotment" means a part of an appropriation that may be encumbered or
408 expended during an allotment period.

409 F. "Allotment period" means a period of less than a fiscal year in length during
410 which an allotment is effective.

411 G. "Allotment plan" means a fiscal management plan that divides a county
412 agency's program element budget into quarterly increments, reflecting the cyclical or
413 seasonal pattern of expenditures, for the purpose of identifying over and under
414 expenditures throughout the year.

415 H. "Appropriations" means an authorization granted by the council to make
416 expenditures and to incur obligations for specific purposes.

417 I. "Appropriation ordinance" means the ordinance that establishes the legal level
418 of appropriation for a fiscal year.

419 J. "Art" means funds budgeted for the one percent for art program under K.C.C.
420 chapter 4.40 or as otherwise provided by ordinance for a public art program.

421 K. "Budget" means a proposed plan of expenditures for a given period or purpose
422 and the proposed means for financing these expenditures.

423 L. "Budget detail plan" means the council's proposed spending plan for the
424 operational budgets of all agencies detailed at the section level and attached to the

425 adopted appropriation ordinance or as modified by the most-recent supplemental
426 appropriation ordinance.

427 M. "Budget document" means a formal, written, comprehensive financial
428 program presented by the executive to the council, including an electronic database with
429 revenues and expenditures for all county agencies at the lowest organization levels and
430 all summary levels provided in the general ledger system, balanced to the financial plans
431 and the appropriation ordinance, fee ordinances, motions related to proposed levy rates to
432 comply with chapter 36.40 RCW and cost-of-living adjustment ordinance proposed by
433 the executive.

434 N. "Budget message" means a formal oral presentation by the executive to the
435 council that explains the budget in terms of goals to be accomplished and how the budget
436 relates to the Comprehensive Plan.

437 O. "Capital improvement plan" means a plan that establishes the capital
438 improvements required to implement an approved operational master plan. This plan
439 should extend over a minimum period of six years to define long-range capital
440 improvement requirements and the annual capital improvements budget for a user
441 agency.

442 1. The capital improvement plan shall include the following elements, where
443 applicable:

444 a. general program requirements that define the development scope for specific
445 sites or facilities;

446 b. general space and construction standards;

- 447 c. prototype floor plans and prototype facility designs for standard
448 improvements;
- 449 d. space requirements based on the adopted county space plan;
- 450 e. initial, and life-cycle cost, of alternative facilities and locations including
451 lease and lease/purchase approaches;
- 452 f. approximate location of planned capital improvements;
- 453 g. general scope and estimated cost of infrastructure;
- 454 h. a schedule, that extends over a minimum of six years, for the
455 implementation of projects included in capital improvement plans, based on overall user
456 agency priorities and projected available revenue;

457 2. The user agency shall prepare the elements of the plan in subsection L.1. a, d,
458 f and h of this section. The implementing agency shall prepare the elements of this plan
459 in subsection L.1. b, c, e and g of this section.

460 3: The six-year budget schedule included in the capital improvement plan shall
461 be updated annually in conjunction with the capital budget adoption process.

462 P. "Capital project" means a project with a scope that includes one or more of the
463 following elements, all related to a capital asset: acquisition of either a site or existing
464 structure, or both; program or site master planning; design and environmental analysis;
465 construction; major equipment acquisition; reconstruction; demolition; or major
466 alteration. "Capital project" includes a: project program plan; scope; budget by task; and
467 schedule. The project budget, conceptual design, detailed design, environmental studies
468 and construction elements of a project shall be prepared or managed by the implementing
469 agency.

470 Q. "CIP" means capital improvement program.

471 R. "CIP exceptions notification" means, except for major maintenance reserve
472 fund, roads, solid waste, surface water management and wastewater CIP projects, a letter
473 filed with the clerk of the council for distribution to the chair of the budget and fiscal
474 management committee, or its successor committee, which describes changes to an
475 adopted CIP project's scope or schedule, or both, or total project cost and, with the
476 exception of schedule changes, shall be sent in advance of any action. For major
477 maintenance reserve fund CIP projects, "exceptions notification" means a letter filed with
478 the clerk of the council for distribution to the chair of the budget and fiscal management
479 committee, or its successor committee, that describes changes of fifteen percent or more
480 to an adopted CIP project's scope or schedule, or both, or total project costs and, with the
481 exception of schedule changes, shall be sent in advance of any action. For road CIP
482 projects, "exceptions notification" means a letter filed with the clerk of the council for
483 distribution to the chair of the transportation committee, or its successor committee, that
484 describes changes of fifteen percent or more to an adopted CIP project's scope or
485 schedule, or both, or total project costs and, with the exception of schedule changes, shall
486 be sent in advance of any action. For wastewater, solid waste and surface water
487 management CIP projects, "exceptions notification" means a letter filed with the clerk of
488 the council for distribution to the chair of the budget and fiscal management committee,
489 or its successor committee, and to the chair of the utilities committee, or its successor
490 committee, which describes changes of fifteen percent or more to an adopted CIP
491 project's scope or schedule, or both, or total project costs and, with the exception of
492 schedule changes, shall be sent in advance of any action.

493 S. "Construction" means funds budgeted for CIP project construction including
494 contract construction, contract inspection and testing and, as appropriate, construction
495 tasks performed by county forces.

496 T. "Contingency" means funds budgeted for unanticipated CIP project costs
497 associated with any other project activities.

498 U. "Contracted design" or "preliminary engineering" means funds budgeted for
499 activities of a contract nature associated with all CIP project phases through bid
500 advertising. Included are contracts for feasibility studies, planning, studies, preliminary
501 design, construction drawings, bid specifications and on-site inspections.

502 V. "Cost elements" means CIP budgeting activities related to construction,
503 contracted design, preliminary engineering, acquisition of right of way, equipment and
504 furnishings, contingency, artistic furnishings, county force design, county force right of
505 way, project administration or other activities as provided by the council.

506 W. "Council" means the metropolitan King County council.

507 X. "County force design" means funds budgeted for CIP project design or design
508 review by county personnel.

509 Y. "County force right of way" means funds budgeted for real property costs
510 associated with CIP land acquisition.

511 Z. "Deficit" means the excess of expenditures over revenues during an
512 accounting period, or an accumulation of such excesses over a period of years.

513 AA. "Director" means the director of the office of management and budget.

514 BB. "Equipment and furnishings" means all costs for the purchase of equipment
515 and furnishings associated with CIP project construction.

516 CC. "Executive" means the King County executive, as defined by Article 3 of the
517 King County Charter.

518 DD. "Expenditures" means, where the accounts are kept on the accrual basis or
519 the modified accrual basis, the cost of goods delivered or services rendered, whether paid
520 or unpaid, including expenses, provisions for debt retirement not reported as a liability of
521 the fund from which retired, and capital outlays. Where the accounts are kept on the cash
522 basis, "expenditures" means actual cash disbursements for these purposes.

523 EE. "Financial plan" means a summary by fund of planned revenues and
524 expenditures, reserves and undesignated fund balance.

525 FF. "Fiscal period" means a calendar year or a biennium.

526 GG. "Fund" an independent fiscal and accounting entity with a self-balancing set
527 of accounts recording either cash or other resources, or both, together with related
528 liabilities, obligations, reserves and equities that are segregated for the purpose of
529 carrying on specific activities or attaining certain objectives in accordance with special
530 regulations, restrictions or limitations.

531 HH. "Fund balance" means the excess of the assets of a fund over its liabilities
532 and reserves except in the case of funds subject to budgetary accounting where, before
533 the end of a fiscal period, it represents the excess of the fund assets and estimated
534 revenues for the period over its liabilities, reserves and appropriations for the fiscal
535 period.

536 II. "General facility major maintenance emergent need contingency project"
537 means an appropriation to provide contingent budget authority for emergent needs within
538 major maintenance reserve fund CIP projects.

539 JJ. "Implementing agency" means the appropriate department and division
540 responsible for the administration of CIP projects.

541 KK. "Lapse" of an appropriation means an automatic termination of an
542 appropriation.

543 LL. "Major maintenance reserve fund CIP project" means any major maintenance
544 reserve fund CIP project that is allocated in the adopted six-year major maintenance
545 reserve fund CIP and is appropriated at the major maintenance reserve fund level in
546 accordance with K.C.C. 4.04.265 or is a high-risk project under section 2 of this
547 ordinance.

548 MM. "Major widening project" means any roads CIP project adding at least one
549 through lane in each direction.

550 NN. "Object of expenditure" means a grouping of expenditures on the basis of
551 goods and services purchased, such as salary and wages.

552 OO. "Open space non-bond fund project" means an open space project that is
553 allocated in the adopted six-year open space CIP and is appropriated at the open space
554 non-bond fund number 3522 level in accordance with K.C.C. 4.04.300.

555 PP. "Operational master plan" means a comprehensive plan for an agency setting
556 forth how the organization will operate now and in the future. An operational master
557 plan shall include the analysis of alternatives and their life cycle costs to accomplish
558 defined goals and objectives, performance measures, projected workload, needed
559 resources, implementation schedules and general cost estimates. The operational master
560 plan shall also address how the organization would respond in the future to changed
561 conditions.

562 QQ. "Program" means the definition of resources and efforts committed to
563 satisfying a public need. The extent to which the public need is satisfied is measured by
564 the effectiveness of the process in fulfilling the needs as expressed in explicit objectives.

565 RR. "Project administration" means funds budgeted for all county costs
566 associated with administering design and construction contracts on CIP projects.

567 SS. "Project program plan" means a plan, primarily in written narrative form, that
568 describes the overall development concept and scope of work for a building, group of
569 buildings or other facilities at a particular site. The complexity of the project program
570 plan will vary based upon the size and difficulty of the program for a particular site.

571 When the plan includes projects that are phased over time, each phase shall have an
572 updated project program plan prepared by the user agency before project implementation.

573 The project program plan shall be prepared by the user agency with assistance from the
574 implementing agency. The program plan describes the user agency program
575 requirements for a specific building or site; provides the basis for these requirements; and
576 identifies when funds for the implementation of the capital projects will be provided.

577 The program plan shall elaborate on the general program information provided in the
578 operational master plan and the capital improvement plan. The plan shall also describe
579 user agency programs, how these programs would fit and function on the site, and the
580 general recommendation of the user agency regarding the appearance of the building or
581 site. The plan shall indicate when a site master plan is required for a project.

582 TT. "Public need" means those public services found to be required to maintain
583 the health, safety and well-being of the general citizenry.

584 UU. "Quarterly management and budget report" means a report prepared
585 quarterly by the director for major operating and capital funds, that:

- 586 1. Presents executive revisions to the adopted financial plan or plans;
- 587 2. Identifies significant deviations in agency workload from approved levels;
- 588 3. Identifies potential future supplemental appropriations with a brief discussion
589 of the rationale for each potential supplemental;
- 590 4. Identifies significant variances in revenue estimates;
- 591 5. Reports information for each appropriation unit on the number of filled and
592 vacant full-time equivalent and term-limited temporary positions and the number of
593 temporary employees;
- 594 6. Includes the budget allotment plan information required under K.C.C.
595 4.04.060; and
- 596 7. Describes progress towards transitioning potential annexation areas to cities.

597 VV. "Reappropriation" means authorization granted by the council to expend the
598 appropriation for the previous fiscal year for capital programs only.

599 WW. "Regulations" means the policies, standards and requirements, stated in
600 writing, designed to carry out the purposes of this chapter, as issued by the executive and
601 having the force and effect of law.

602 XX. "Revenue" means the addition to assets that does not increase any liability,
603 does not represent the recovery of an expenditure, does not represent the cancellation of
604 certain liabilities on a decrease in assets and does not represent a contribution to fund
605 capital in enterprise and intragovernmental service funds.

606 YY. "Roads CIP project" means roads capital projects that are allocated in the
607 adopted six-year roads CIP and are appropriated at the roads CIP fund level in
608 accordance with K.C.C. 4.04.270 or is a high-risk project under section 2 of this
609 ordinance.

610 ZZ. "Scope change" means, except for major maintenance reserve fund, roads,
611 solid waste, surface water management and wastewater CIP projects, that a CIP project's
612 total project cost increases by ten percent or by fifty thousand dollars, whichever is less.
613 For major maintenance reserve fund, roads, solid waste, surface water management or
614 wastewater CIP projects, "scope change" means the total project cost increases by fifteen
615 percent.

616 AAA. "Section" means an agency's budget unit comprised of a particular project,
617 program or line of business as described in Ordinance 16445, Section 5, for the 2010
618 budget or for all subsequent budgets as described in the budget detail plan for the
619 previous fiscal period as attached to the adopted appropriation ordinance or as modified
620 by the most-recent supplemental appropriation ordinance. This definition is not intended
621 to create an organizational structure for any agency.

622 BBB. "Site master plan" means a plan prepared by the implementing agency,
623 with input from the user agency, that describes, illustrates and defines the capital
624 improvements required to provide user agency program elements.

625 1. The site master plan shall include preliminary information regarding, at a
626 minimum:

- 627 a. site analysis, including environmental constraints;
- 628 b. layout, illustration and description of all capital improvements;

- 629 c. project scopes and budgets;
- 630 d. project phasing; and
- 631 e. operating and maintenance requirements.

632 2. The site master plan shall be approved by the user agency and the
633 implementing agency before submittal to the executive and council for approval.

634 CCC. "Solid waste CIP project" means a solid waste project that is allocated in
635 the adopted six-year solid waste CIP and is appropriated at the solid waste CIP fund level
636 in accordance with K.C.C. 4.04.273 or is a high-risk project under section 2 of this
637 ordinance.

638 DDD. "Surface water management CIP project" means a surface water
639 management project that is allocated in the adopted six-year surface water management
640 CIP and is appropriated at the surface water management CIP fund level in accordance
641 with K.C.C. 4.04.275 or is a high-risk project under section 2 of this ordinance.

642 EEE. "User agency" means the appropriate department, division, office or section
643 to be served by any proposed CIP project.

644 FFF. "Wastewater asset management projects" means the wastewater capital
645 projects identified and intended by the wastewater treatment division to extend and
646 optimize the useful life of wastewater treatment assets, including facilities, structures,
647 pipelines and equipment.

648 GGG. "Wastewater CIP project" means wastewater capital projects that are
649 allocated in the adopted six-year wastewater CIP and are appropriated at the wastewater
650 CIP fund level in accordance with K.C.C. 4.04.280 or is a high-risk project under section
651 2 of this ordinance.

652 SECTION 7. Ordinance 12076, Section 3, as amended, and K.C.C. 4.04.030 are
653 each hereby amended to read as follows:

654 The budget documents shall include, but not be limited to, data specified in this
655 chapter.

656 A. The budget shall set forth the complete financial plan for the ensuing fiscal
657 year showing planned expenditures and the sources of revenue from which they are to be
658 financed. For each fund, the expenditures included in the budget for the ensuing fiscal
659 year shall not exceed the estimated revenues as forecast under K.C.C. 2.140.070,
660 including reserves.

661 1. The budget document shall include the following:

662 a. estimated revenue by fund and by source from taxation;

663 b. estimated revenues by fund and by source other than taxation;

664 c. actual receipts for first six months, January 1 through June 30, of the current
665 fiscal year;

666 d. actual receipts for the last completed fiscal year by fund and by source;

667 e. estimated fund balance or deficit for current fiscal year by fund; and

668 f. operational budget details for all agencies at the section level unless noted by
669 the executive and accompanied with an explanation of the change;

670 g. such additional information dealing with revenues as the executive and
671 council shall deem pertinent and useful;

672 h. tabulation of expenditures in a comparable form by fund, program project or
673 object of expenditure for the ensuing fiscal year;

674 i. actual expenditures for the first six months, January 1 through June 30, of the
675 current year;

676 j. actual expenditures for the last completed fiscal year;

677 k. the appropriation for the current year; and

678 l. such additional information dealing with expenditures as the executive and
679 council shall deem pertinent and useful.

680 2. All capital improvement projects and appropriations shall be authorized only
681 by inclusion in the annual council adopted CIP or any amendment thereto. A bond
682 ordinance is not an appropriation for capital projects. The capital improvement section of
683 the budget shall include:

684 a. estimated expenditures for at least the next six fiscal years by program;

685 b. expenditures planned for current, pending, or proposed capital projects
686 during the fiscal year, classified according to proposed source of funds whether from
687 bonds, or any combination of other local, state, federal and private sources;

688 c. an alphabetic index to enable quick location of any project contained in the
689 budget;

690 d. a discrete number for each project that shall serve to identify it within the
691 capital budget document and all accounting reports;

692 e. estimated net annual operating costs associated with each project upon
693 completion or in cases where operating costs are negligible or incalculable, a statement to
694 that effect;

695 f. an identification of all CIP projects by council district in which they are
696 located;

697 g. CIP projects funded in the budget year, which shall be presented in separate
698 sections of the budget.

699 (1) Major maintenance reserve fund CIP projects shall be presented in the
700 six-year general CIP program.

701 (2) Except for high-risk projects under section 2 of this ordinance, ~~(F)~~the
702 appropriation for major maintenance reserve fund CIP projects shall be made at the major
703 maintenance reserve fund level in accordance with K.C.C. 4.04.265.

704 (3) Roads CIP projects shall be presented in the six-year road CIP program

705 (4) Except for high-risk projects under section 2 of this ordinance, ~~(F)~~the
706 appropriation for roads CIP projects shall be made at the roads CIP fund level in
707 accordance with K.C.C. 4.04.270.

708 (5) Wastewater CIP projects shall be presented in the six-year wastewater
709 CIP program.

710 (6) Except for high-risk projects under section 2 of this ordinance, ~~(F)~~the
711 appropriation for wastewater CIP projects shall be made at the wastewater CIP fund level
712 in accordance with K.C.C. 4.04.280.

713 (7) Surface water management CIP projects shall be presented in the six-year
714 surface water management CIP program.

715 (8) Except for high-risk projects under section 2 of this ordinance, ~~(F)~~the
716 appropriation for surface water management CIP projects shall be made at the surface
717 water management CIP fund level in accordance with K.C.C. 4.04.275;

718 (9) Solid waste CIP projects shall be presented in the six-year solid waste CIP
719 program;

720 (10) Except for high-risk projects under section 2 of this ordinance, ((F))the
721 appropriation for solid waste CIP projects shall be made at the solid waste CIP fund level
722 in accordance with K.C.C. 4.04.273; and

723 (11) The technology business plan in accordance with K.C.C. 2.16.0757.

724 h. in addition to schedule requirements, a statement of purpose and estimated
725 total cost for each project for which expenditures are planned during the ensuing fiscal
726 year;

727 i. the original project cost estimate which shall remain fixed from year to year.
728 This original cost estimate shall be included in the capital budget document. A project
729 record, separate from the budget document, shall be provided that identifies the original
730 project cost estimate and any subsequent changes to the original project cost estimate by
731 cost element and revenue source as approved in the budget document or any amendment
732 to the budget;

733 j. an enumeration of revised project cost estimates;

734 k. funds actually expended for projects as of June 30 of the current year;

735 l. funds previously authorized for the project;

736 m. anticipated specific cost elements within each project. However, the
737 executive is authorized to transfer funds between specific activities within the same
738 project only if these transfers will not result in a necessary increase to the total project
739 budget. A scope change of a project constitutes a revision.

740 (1) A CIP project scope change shall be included in the CIP exceptions
741 notification if total project costs increase by ten percent or by fifty thousand dollars,
742 whichever is less; or if the schedule deviates by three months.

743 (2) For parks CIP projects, a CIP exceptions notification shall be filed with
744 the clerk of the council in advance of action for distribution to the chair of the budget and
745 fiscal management committee, or its successor committee, when fifty thousand dollars or
746 more or funds in excess of ten percent of total project costs, whichever is less, are to be
747 transferred from a contingency project to a CIP project.

748 (3) For major maintenance reserve fund CIP projects, a CIP exceptions
749 notification shall be filed with the clerk of the council in advance of action for
750 distribution to the chair of the budget and fiscal management committee, or its successor
751 committee, when moneys in excess of fifteen percent of the total major maintenance
752 reserve fund CIP project costs are to be transferred from the general facility major
753 maintenance emergent need contingency project.

754 (4) For roads CIP projects, a CIP exceptions notification shall be filed with
755 the clerk of the council in advance of action for distribution to the chair of the
756 transportation committee, or its successor committee, when contingency funds in excess
757 of fifteen percent of total project costs are to be transferred.

758 (5) For solid waste, surface water management and wastewater CIP projects,
759 a CIP exceptions notification shall be filed with the clerk of the council in advance of
760 action for distribution to the chair of the budget and fiscal management committee, or its
761 successor committee, and chair of the utilities committee, or its successor committee,
762 when contingency funds in excess of fifteen percent of total project costs are to be
763 transferred;

764 n. individual allocations by cost element for each capital project; and

765 o. when a single fund finances both operating expenses and capital projects,
766 there shall be separate appropriations from the fund for the operating and the capital
767 sections of the budget.

768 B.1. The budget message shall explain the budget in fiscal terms and in terms of
769 goals to be accomplished and shall relate the requested appropriation to the
770 Comprehensive Plan of the county.

771 2. The total proposed expenditures shall not be greater than the total proposed
772 revenue.

773 3. If the estimated revenues in the current expense, special revenue or debt
774 service funds for the next ensuing fiscal period, together with the fund balance for the
775 current fiscal period exceeds the applicable appropriations proposed by the executive for
776 the next ensuing fiscal period, the executive shall include in the budget document
777 recommendations for the use of the excess for the reduction of indebtedness, for the
778 reduction of taxation or for other purposes as in his or her discretion shall serve the best
779 interests of the county.

780 4. If, for any applicable fund, the estimated revenues for the next ensuing period
781 plus fund balance shall be less than the aggregate of appropriations proposed by the
782 executive for the next ensuing fiscal period, the executive shall include in the budget
783 document his or her proposals as to the manner in which the anticipated deficit shall be
784 met, whether by an increase in the indebtedness of the county, by imposition of new
785 taxes, by increase of tax rate or in any like manner.

786 C.1. Justification for revenues and expenditures shall be presented in detail when
787 necessary to explain changes of established practices, unique fiscal practices and new

788 sources of revenue or expenditure patterns or any data the executive considers useful to
789 support the budget. The following elements shall be included:

790 a. nonbudgeted departments and programs expenditures and revenues; that is,
791 intragovernmental service funds;

792 b. historical and projected agency workload information; and

793 c. a brief explanation of existing and proposed new programs, as well as the
794 purpose and scope of agency activities.

795 2. Capital improvement program data shall include, but not be limited to, the
796 streets and highway programming process, which shall specify priorities, guide route
797 establishments, select route design criteria and provide detailed design information for
798 each road or bridge project.

799 D.1. The department of executive services shall submit a request for CIP project
800 funding, which shall specify project funding levels on a project-by-project basis, but
801 which shall be appropriated at the major maintenance reserve fund CIP fund level, stated
802 as an aggregate of individual projects for the budget year in question in accordance with
803 K.C.C. 4.04.266. High-risk projects under section 2 of this ordinance shall be funded as
804 provided in section 2 of this ordinance.

805 2. The council may require other data from the department of executive services
806 that the council considers necessary for review of the budget, which may include objects
807 of expenditure and other expenditures categories.

808 E.1. The department of transportation shall submit a request for CIP project
809 funding, which shall specify project funding levels on a project-by-project basis, but
810 which shall be appropriated at the road CIP fund level, stated as an aggregate of

811 individual projects for the budget year in question in accordance with K.C.C. 4.04.270.
812 High-risk projects under section 2 of this ordinance shall be funded as provided in section
813 2 of this ordinance.

814 2. The council may require other data from the department of transportation that
815 the council considers necessary for review of the budget, which may include objects of
816 expenditure and other expenditures categories.

817 F.1. The department of natural resources and parks shall submit a request for CIP
818 project funding, which shall specify project funding levels on a project-by-project basis,
819 but which shall be appropriated at the wastewater CIP fund level, stated as an aggregate
820 of individual projects, including subprojects, for the budget year in question in
821 accordance with K.C.C. 4.04.280. Except for multiyear construction contracts and
822 carryover amounts approved during the annual CIP reconciliation process, appropriations
823 shall be for one year. All construction contracts including multiyear construction
824 contracts shall be appropriated for the full construction amount in the first year. Any
825 multiyear construction contracts longer than three years must be specifically identified in
826 the wastewater CIP budget request. The request for CIP project funding for wastewater
827 asset management shall include categories of wastewater asset management projects.
828 Wastewater asset management projects shall be appropriated annually at the category
829 level. The executive-proposed CIP shall allocate anticipated expenditures for each
830 wastewater asset management project category as part of the six-year wastewater CIP.
831 For each category, a proposed project list will be appended. High-risk projects under
832 section 2 of this ordinance shall be funded as provided in section 2 of this ordinance.

833 2. The council may require other data from the department of natural resources
834 and parks that the council considers necessary for review of the budget, which may
835 include objects of expenditures and other expenditures categories.

836 G.1. The department of natural resources and parks shall submit a request for CIP
837 project funding, which shall also specify project funding levels on a project-by-project
838 basis but which shall be appropriated at the surface water management CIP fund level,
839 states as an aggregate of individual projects, including subprojects, for the budget year in
840 question in accordance with K.C.C. 4.04.275. Except for multiyear construction
841 contracts and carryover amounts approved during the annual CIP reconciliation process,
842 appropriations shall be for one year. All construction contracts including multiyear
843 construction contracts shall be appropriated for the full construction amount in the first
844 year. Any multiyear construction contracts longer than three years must be specifically
845 identified in the surface water management CIP budget request. High-risk projects under
846 section 2 of this ordinance shall be funded as provided in section 2 of this ordinance.

847 2. The council may require from the department of natural resources and parks
848 other data that the council considers necessary for review of the budget, which may
849 include objects of expenditure and other expenditures categories.

850 H.1. The department of natural resources and parks shall submit a request for CIP
851 project funding, which shall also specify project funding levels on a project-by-project
852 basis but which shall be appropriated at the solid waste CIP fund level, states as an
853 aggregate of individual projects, including subprojects, for the budget year in question in
854 accordance with K.C.C. 4.04.273. Except for a multiyear construction contracts and
855 carryover amounts approved during the annual CIP reconciliation process, appropriations

856 shall be for one year. All construction contracts including multiyear construction
857 contracts shall be appropriated for the full construction amount in the first year. Any
858 multiyear construction contracts longer than three years must be specifically identified in
859 the solid waste CIP budget request. High-risk projects under section 2 of this ordinance
860 shall be funded as provided in section 2 of this ordinance.

861 2. The council may require from the department of natural resources and parks
862 other data that the council considers necessary for review of the budget, which may
863 include objects of expenditure and other expenditures categories.

864 SECTION 8. Ordinance 14743, Section 6, and K.C.C. 4.04.265 are each hereby
865 amended to read as follows:

866 A. This section establishes procedures required for flexible response budgeting
867 provisions applicable to the major maintenance reserve fund beginning in 2003 but shall
868 not apply to high-risk projects under section 2 of this ordinance. Except as specifically
869 provided in this section, budgeting for the major maintenance reserve fund shall be in
870 accordance with other applicable county law.

871 B. To allow reprogramming flexibility needed to respond in a timely manner to
872 events beyond the control of the facilities management division that result in temporary
873 postponement or acceleration of major maintenance reserve fund CIP projects allocated
874 in the current budget year, and notwithstanding any other provision of county law,
875 current-year budget authorization for the major maintenance reserve fund CIP shall be
876 appropriated at the total CIP fund level rather than CIP project level. Major maintenance
877 reserve fund CIP project budget allocation reallocations may take place during the budget
878 year among the projects specifically adopted in the current six-year major maintenance

879 reserve fund CIP together with carryover projects from previously adopted plans in
880 accordance with the procedures in this section without the need of amendatory
881 appropriations ordinances.

882 C.1. Implementation of the major maintenance reserve fund CIP shall be in
883 accordance with the project funding priorities and project funding levels identified in the
884 annual major maintenance reserve fund six-year CIP as adopted by the council. On or
885 before May 15 of each year, the facilities management division shall prepare and file in
886 the office of the clerk of the council a major maintenance reserve fund CIP reallocation
887 report. All planned expenditures shall be consistent with the financial model, financial
888 plan and program plan. The report shall provide the following information concerning all
889 existing and previously approved uncompleted major maintenance reserve fund CIP
890 projects:

- 891 a. each project's name and number;
- 892 b. project location;
- 893 c. current status of the project;
- 894 d. the year the project first received appropriation authority;
- 895 e. the initial estimate of the project's duration in years, or expected completion
896 date;
- 897 f. the original estimate of the project's total cost;
- 898 g. any revisions to the original estimate of the project's total cost;
- 899 h. total budget, expenditures and encumbrances spanning the project's
900 existence;

901 i. for each fiscal year of existence, the appropriation amount, the beginning
902 balance, the summary totals of expenditures and encumbrances and the carryover at the
903 year's end;

904 j. identification of any expenditures under the general facility major
905 maintenance emergent need contingency project;

906 k. an explanation of scope changes or significant changes to schedule or
907 budget since the last budget approval;

908 l. a reallocated major maintenance reserve fund six-year CIP, including a
909 revised program plan, all changes to projects, estimated costs, schedules, and scopes of
910 work to be pursued for the current year, and programmed in the remaining years of the
911 six-year program;

912 m. a justification for each project postponement or acceleration;

913 n. identification of which projects will be ready for implementation in the
914 current budget year within the constraints of the total current year fund appropriation; and

915 o. a revised financial model showing the impacts or adjustments resulting from
916 the proposed allocations.

917 2. If current project in the adopted program needs to be postponed or
918 accelerated, the report shall identify one or more projects of comparable budget
919 allocation value in the current six-year major maintenance reserve fund CIP for
920 acceleration or postponement in its place. If the budget allocation for a postponed or
921 accelerated project exceeds the budget allocation of the project or projects proposed to be
922 accelerated or postponed in its place, the difference shall be allocated to the general
923 facility major maintenance emergent need contingency project appropriation. A

924 postponed project shall be reallocated to the next possible year in the six-year program in
925 which it could be accomplished. Succeeding projects shall be adjusted as necessary in
926 the major maintenance reserve fund six-year CIP and financial plan. If a suitable CIP
927 project does not exist to receive the reallocated funds, the funds shall remain allocated to
928 the original CIP project.

929 D.1. The reallocation report shall be filed with the clerk of the council for
930 distribution to the chair of the budget and fiscal management committee, or its successor
931 committee, to each councilmember and to the lead staff for the budget and fiscal
932 management committee, or its successor committee.

933 2. A councilmember who objects to a project reallocation proposed in the
934 reallocation report shall notify the chair of the budget and fiscal management committee,
935 or its successor committee, within fourteen days of the filing of the report. The chair
936 shall consult with the councilmember and consider the objection and shall, within thirty
937 days of the filing of the report, notify the executive in writing of project reallocations that
938 may proceed and shall also notify the executive in writing of project reallocations that
939 may not proceed. The chair of the budget and fiscal management committee, or its
940 successor committee, shall file with the clerk of the council a copy of the written notice
941 and send a copy of the notice to any councilmember who raised an objection. The
942 reallocation report takes effect upon receipt by the executive of the written notice.
943 However, if the written notice is not provided by the chair of the budget and fiscal
944 management committee, or its successor committee within thirty days of the filing of the
945 reallocation report, the report takes effect on the thirty-first day following the filing of the
946 reallocation report.

947 E. If sufficient moneys are available, any scope change proposed for allocation in
948 the current year that is not included in the current major maintenance reserve fund six-
949 year CIP shall be funded from the general facility major maintenance emergent need
950 contingency project. If moneys are not available, any scope change proposed for
951 allocation in the current year may only be added to the major maintenance reserve fund
952 CIP after going through the normal appropriation process.

953 F. A general facility major maintenance emergent need contingency project shall
954 be allocated in the current year fund appropriation to provide contingent budget authority
955 to be used in accordance with in this chapter. The general facility major maintenance
956 emergent need contingency project amount shall be no more than five percent of the
957 current-year major maintenance reserve fund CIP budget or five hundred thousand
958 dollars, whichever is less.

959 SECTION 9. Ordinance 13035, Section 5, as amended, and K.C.C. 4.04.270 are
960 each hereby amended to read as follows:

961 A. This section establishes procedures required for flexible response budgeting
962 provisions applicable to the roads capital Improvement program (CIP) beginning in 1998
963 but shall not apply to high-risk projects under section 2 of this ordinance. Except as
964 specifically provided herein, budgeting for the roads CIP shall be in accordance with
965 existing county law.

966 B. In order to allow reprogramming flexibility needed to respond in a timely
967 manner to events beyond the control of the road services division that result in temporary
968 postponement of roads CIP projects allocated in the current budget year, and
969 notwithstanding any other provision of county law, current year budget authorization for

970 the roads CIP shall be appropriated at the total CIP fund level rather than CIP project
971 level. Roads CIP project budget allocation substitutions may take place during the
972 budget year among the projects specifically adopted in the current six-year roads capital
973 improvement program together with carryover projects from previously adopted plans
974 pursuant to the procedures set forth herein without the need for the enactment of
975 amendatory appropriations ordinances.

976 C. Implementation of the roads CIP shall be in accordance with the project
977 funding priorities and project funding levels identified in the annual roads six-year CIP as
978 adopted by the county council. Prior to May 1 of each year, the road services division
979 shall prepare and submit to the council a roads CIP reallocation report which shall
980 include a review of the status of all projects contained in the current adopted six-year
981 roads CIP together with those projects carried forward from previous adopted six-year
982 roads CIPs, and shall identify which projects will be ready for implementation in the
983 current budget year within the constraints of the total current year fund appropriation. In
984 the case of any current year project in the adopted program that is not ready for
985 implementation for reasons beyond the control of the road services division, the report
986 shall identify for substitution one or more projects of comparable budget allocation value
987 from within the current adopted six-year roads CIP. If the budget allocation for any
988 project to be postponed exceeds the budget allocation of the proposed substituted project
989 or projects, the difference shall be allocated to the cost model contingency roads CIP
990 project. Conversely, if the budget allocation for any proposed substitute project exceeds
991 the budget allocation for the postponed project or projects, such difference shall be
992 allocated from the cost model contingency roads CIP project. Any project that is

993 identified for postponement shall be reallocated to the year in the six-year program from
994 which the project that is identified for substitution was originally programmed. If no
995 suitable CIP project exists to receive the reallocated funds, the funds shall remain
996 allocated to the original CIP project. The reallocation report shall include a reallocated
997 roads six-year CIP including all changes to projects, estimated costs, schedules, and
998 scopes of work to be pursued for the current year, and programmed in the remaining
999 years of the six-year program. A justification for each project postponement and
1000 substitution shall be included in the report. The report shall also include an accounting
1001 summary of the current project status and the amount of unexpended project budget
1002 balance by expenditure option and revenue account for each project in the current year of
1003 the program.

1004 D. The reallocation report shall be accompanied by a letter of transmittal to the
1005 chair of the transportation committee or designee, or its successor committee, with copies
1006 to each councilmember, and the lead staff for the transportation committee. Any
1007 councilmember who objects to specific project deferrals or advancements proposed in the
1008 reallocation report shall notify the chair of the transportation committee, or its successor
1009 committee, within fourteen days of receipt by the chair of the reallocation report. The
1010 councilmember must specify the project deferrals or advancements to which the member
1011 objects. Within thirty days of receipt of the reallocation report by the chair of the
1012 transportation committee, or its successor committee, the chair shall consider the
1013 objections raised and notify the executive in writing which project reallocations may go
1014 forward. The reallocation report takes effect upon receipt by the executive of the chair's

1015 written notice. If a written notice is not provided by the chair, the reallocation report
1016 takes effect on the thirty-first day following receipt of the reallocation report by the chair.

1017 E. The department of transportation shall provide to the council a written
1018 summary of the preliminary status of road capital expenditures and construction projects
1019 by March 1 of each year. Such a status report shall include a list of projects anticipated
1020 to be included in the reallocation report and any other project complications or progress
1021 highlights deemed significant by the department. The status report shall be presented to
1022 the council transportation committee by the department of transportation at the request of
1023 the chair.

1024 F. A roads CIP grant contingency project shall be allocated in the current year
1025 fund appropriation to provide contingent budget authority associated with potential grant
1026 sources that may be programmed if a grant eligible project is substituted into the current
1027 year of the program. All unallocated contingent grant supported appropriation will be
1028 disappropriated at year end.

1029 G. Any new project proposed for allocation in the current year that is not
1030 included in the current or previously adopted roads six-year CIP, or any newly proposed
1031 project cost or project scope to be added to a project adopted as part of the roads six-year
1032 CIP that cannot be accommodated by transfers of contingency funds, shall be added to
1033 the roads CIP through the normal appropriation process. Transfers of contingency funds
1034 that are required after the roads CIP reprogramming report is transmitted to the council
1035 will be reported to the chair of the transportation committee. Transfers from contingency
1036 funds in excess of fifteen percent of the total project cost shall be contingent upon written
1037 approval by the chair of the transportation committee.

1038 SECTION 10. Ordinance 14811, Section 6, and K.C.C. 4.04.273 are each hereby
1039 amended to read as follows:

1040 A. This section establishes procedures required for flexible response budgeting
1041 provisions applicable to the solid waste CIP beginning in 2004 but shall not apply to
1042 high-risk projects under section 2 of this ordinance. Except as specifically provided in
1043 this section, budgeting for the solid waste CIP shall be performed in accordance with
1044 other applicable county law.

1045 B. To allow reprogramming flexibility needed to respond in a timely manner to
1046 events beyond the control of the solid waste division that result in temporary
1047 postponement or acceleration of solid waste CIP projects allocated in the current budget
1048 year, and notwithstanding any other provision of county law, current-year budget
1049 authorization for the solid waste CIP shall be appropriated at the total CIP fund level
1050 rather than CIP project level. Solid waste CIP project budget allocation reallocations
1051 may take place during the budget year among the projects specifically adopted in the
1052 current six-year solid waste CIP together with carryover projects from previously adopted
1053 plans in accordance with the procedures in this section without the need for the enactment
1054 of amendatory appropriations ordinances.

1055 C.1. Implementation of the solid waste CIP shall be in accordance with the
1056 project funding priorities and project funding levels identified in the annual solid waste
1057 six-year CIP as adopted by the council. On or before May15 of each year, the solid waste
1058 division shall prepare and file with the office of the clerk of the council a solid waste CIP
1059 reallocation report. The report shall provide a status report on implementation of all solid
1060 waste CIP projects contained in the current adopted six-year solid waste CIP together

1061 with those projects carried forward from previously adopted six-year solid waste CIPs,
1062 and shall include:

1063 a. an explanation of significant changes to scope, schedule and impact on work
1064 plan and budget since last budget approval;

1065 b. identification of revisions to milestones and budget for the current year;

1066 c. a proposal for revisions to scope, budget and schedule for the next six
1067 months;

1068 d. a reallocated solid waste six-year CIP including a revised financial plan, all
1069 changes to projects, estimated costs, schedules and scopes of work to be pursued for the
1070 current year and programmed in the remaining years of the six-year program;

1071 e. a justification for each project postponement or acceleration and
1072 substitution;

1073 f. an accounting summary of the current project status and the amount of
1074 unexpended project budget balance by project phase and revenue for each project in the
1075 current year of the program;

1076 g. the original project cost estimate;

1077 h. the revised project cost estimate that is being used as the basis for the
1078 current year fund appropriation and six-year CIP; and

1079 i. identification of which projects will be ready for implementation in the
1080 current budget year within the constraints of the total current year fund appropriation.

1081 2. For any current project in the adopted program that is not ready for
1082 implementation for reasons beyond the control of the solid waste division or if a project
1083 needs to be accelerated, the report shall identify for substitution or postponement one or

1084 more projects of comparable budget allocation value from within the current adopted six-
1085 year solid waste CIP. If the budget allocation for any project to be postponed or
1086 accelerated exceeds the budget allocation of the proposed substituted or postponed
1087 project or projects, the difference shall be allocated to or from the solid waste CIP
1088 contingency appropriation. A postponed project shall be reallocated to the year in the
1089 six-year program from which the project that is identified for substitution was originally
1090 programmed. If a suitable CIP project does not exist to receive the reallocated funds, the
1091 funds shall remain allocated to the original CIP project.

1092 D.1. The reallocation report shall be accompanied by a transmittal letter
1093 addressed to the chair of the budget and fiscal management committee or designee, or its
1094 successor committee, and the chair of the utilities committee, or its successor committee,
1095 and copies of the report and letter shall be filed with the office of the clerk of the council
1096 for distribution to each councilmember, to the chair of the budget and fiscal management
1097 committee or designee, or its successor committee, to the chair of the utilities committee,
1098 or its successor committee, and to the lead staff for the budget and fiscal management
1099 committee and for the utilities committee.

1100 2. A councilmember who objects to a project reallocation proposed in the
1101 reallocation report shall notify the chair of the budget and fiscal management committee,
1102 or its successor committee, within fourteen days of the filing of the report. Within thirty
1103 days of the filing of the reallocation report, the chair of the budget and fiscal management
1104 committee, or its successor committee, shall consider the objections raised and notify the
1105 executive in writing which project reallocations may proceed and shall also notify the
1106 executive in writing of project reallocations that may not proceed. The chair of the

1107 budget and fiscal management committee, or its successor committee, shall file with the
1108 clerk of the council a copy of the written notice and send a copy of the notice to any
1109 councilmember who raised an objection. The reallocation report takes effect upon receipt
1110 by the executive of the written notice. However, if a written notice is not provided by the
1111 chair of the budget and fiscal management committee, or its successor committee, within
1112 thirty days of the filing of the reallocation report, the report takes effect on the thirty-first
1113 day following the filing of the reallocation report.

1114 E. Any new project proposed for allocation in the current year that is not included
1115 in the current or previously adopted solid waste six-year CIP, or any newly proposed
1116 project cost or project scope to be added to a project adopted as part of the solid waste
1117 six-year CIP that cannot be accommodated by transfers of contingency funds, may be
1118 added to the solid waste CIP after going through the normal appropriation process.
1119 Transfers of contingency funds that are required after the solid waste CIP reprogramming
1120 report is transmitted to the council shall be reported by the department of natural
1121 resources by filing the report with the clerk of the council for distribution to the chair of
1122 the budget and fiscal management committee, or its successor committee, and the chair of
1123 the utilities committee, or its successor committee, with copies to lead staff for the budget
1124 and fiscal management committee and for the utilities committee. Transfers from
1125 contingency funds in excess of fifteen percent of the total project cost shall be contingent
1126 upon written approval by the chair of the budget and fiscal management committee, or its
1127 successor committee.

1128 F. A solid waste CIP contingency project shall be allocated in the landfill reserve
1129 fund and the solid waste construction fund current year fund appropriations to provide

1130 contingent budget authority to be used according to the requirements established in this
1131 chapter. The solid waste CIP contingency project amount for each fund shall be seven
1132 and one-half percent of the current year solid waste CIP budget, but shall not exceed ten
1133 million dollars.

1134 SECTION 11. Ordinance 14452, Section 5, and K.C.C. 4.04.275 are each hereby
1135 amended to read as follows:

1136 A. This section establishes procedures required for flexible response budgeting
1137 provisions applicable to the water and land resources division beginning in 2003 but shall
1138 not apply to high-risk projects under section 2 of this ordinance. Except as specifically
1139 provided in this section, budgeting for the surface water management CIP fund shall be in
1140 accordance with other applicable county law.

1141 B. To allow reprogramming flexibility needed to respond in a timely manner to
1142 events beyond the control of the water and land resources division that result in
1143 temporary postponement or acceleration of surface water management CIP projects
1144 allocated in the current budget year, and notwithstanding any other provision of county
1145 law, current-year budget authorization for the surface water management CIP shall be
1146 appropriated at the total CIP fund level rather than CIP project level. Surface water
1147 management CIP project budget allocation substitutions may take place during the budget
1148 year among the projects specifically adopted in the current six-year surface water
1149 management CIP together with carryover projects from previously adopted plans in
1150 accordance with the procedures in this section without the need for the enactment of
1151 amendatory appropriations ordinances.

1152 C.1. Implementation of the surface water management CIP shall be in accordance
1153 with the project funding priorities and project funding levels identified in the annual
1154 surface water management six-year CIP as adopted by the county council. Beginning in
1155 2003, on or before May 15 of each year, the water and land resources division shall
1156 prepare and submit to the council a surface water management CIP reallocation report.
1157 The report shall provide the information in a. through e. of this subsection C.1 concerning
1158 proposed exceptions to surface water management CIP projects contained in the current
1159 adopted six-year surface water management CIP together with those projects carried
1160 forward from previous adopted six-year surface water management CIPs:

- 1161 a. identification of any new emergency projects that are proposed to receive
1162 funding allocated for emergencies;
- 1163 b. an explanation of significant changes to scope, schedule or budget since last
1164 budget approval;
- 1165 c. a reallocated surface water management six-year CIP including a revised
1166 financial plan, all changes to projects, estimated costs, schedules and scopes of work to
1167 be pursued for the current year, and programmed in the remaining years of the six-year
1168 program;
- 1169 d. a justification for each project postponement or acceleration and
1170 substitution;
- 1171 e. identification of which projects will be ready for implementation in the
1172 current budget year within the constraints of the total current year fund appropriation;

1173 f. identification of specific projects that are recommended to proceed using
1174 advanced appropriation authority and grant contingency funds in accordance with K.C.C.
1175 4.04.300; and

1176 g. a map showing the locations of projects proposed for deferral or
1177 acceleration, projects proposed to be implemented using the current-year appropriation
1178 for emergency funds, and projects proposed to be funded using the grant contingency
1179 funds authorized by K.C.C. 4.04.300.

1180 2. For any current project in the adopted program that is not ready for
1181 implementation for reasons beyond the control of the water and land resources division or
1182 if a project needs to be accelerated, the report shall identify for substitution or
1183 postponement one or more projects of comparable budget allocation value from within
1184 the current adopted six-year surface water management CIP. If the budget allocation for
1185 any project to be postponed or accelerated exceeds the budget allocation of the proposed
1186 substituted or postponed project or projects, the difference shall be allocated to or from
1187 the surface water management CIP contingency appropriation. A project that is
1188 identified for postponement shall be reallocated to the next possible year in the six-year
1189 program in which it could be accomplished, adjusting succeeding projects as necessary in
1190 the surface water management six-year CIP and financial plan submitted in accordance
1191 with this section. If a suitable CIP project does not exist to receive the reallocated funds,
1192 the funds shall remain allocated to the original CIP project.

1193 D. The reallocation report shall be accompanied by a letter of transmittal to the
1194 chair of the budget and fiscal management committee or designee, or its successor
1195 committee, and the chair of the utilities committee, or its successor committee, and copies

1196 of the report and letter shall also be transmitted to each councilmember and the lead staff
1197 for the budget and fiscal management committee, or its successor committee, and for the
1198 utilities committee, or its successor committee. Any councilmember who objects to
1199 specific project deferrals or advancements proposed in the reallocation report shall notify
1200 the chair of the budget and fiscal management committee, or its successor committee,
1201 within fourteen days of receipt by the chair of the reallocation report. The
1202 councilmember must specify the project deferrals or advancements to which the member
1203 objects. Within thirty days of receipt of the reallocation report by the chair of the budget
1204 and fiscal management committee, or its successor committee, the chair shall, in
1205 consultation with the councilmembers raising objections, consider the objections raised
1206 and notify the executive in writing which project reallocations may not proceed as
1207 proposed. The chair of the budget and fiscal management committee shall send a copy of
1208 the letter to any councilmembers who raised objections. The reallocation report takes
1209 effect upon receipt by the executive of the chair's written notice. If a written notice is not
1210 provided by the chair of the budget and fiscal management committee, or its successor
1211 committee, the reallocation report takes effect on the thirty-first calendar day following
1212 receipt of the reallocation report by the chair.

1213 E. Any new project proposed for allocation in the current year that is not included
1214 in the current or previously adopted surface water management six-year CIP, or any
1215 newly proposed project scope to be added to a project adopted as part of the surface water
1216 management six-year CIP that cannot be accommodated by transfers of contingency
1217 funds, may be added to the surface water management CIP after going through the
1218 normal appropriation process. Transfers of contingency funds that are required after the

1219 surface water management CIP reallocation report is transmitted to the council shall be
1220 reported by the department of natural resources and parks to the chair of the budget and
1221 fiscal management committee, or its successor committee, and the chair of the utilities
1222 committee, or its successor committee, with copies to lead staff for the budget and fiscal
1223 management committee, or its successor committee, and for the utilities committee, or its
1224 successor committee. Transfers from contingency funds in excess of fifteen percent of
1225 the total project cost shall be contingent upon written approval by the chair of the budget
1226 and fiscal management committee, or its successor committee.

1227 F. Beginning January 1, 2003, a surface water management CIP contingency
1228 project shall be allocated in the current year fund appropriation to provide contingent
1229 budget authority to be used according to the requirements established in this chapter. The
1230 surface water management CIP contingency project amount shall be no more than ten
1231 percent of the current year surface water management CIP budget or one million dollars,
1232 whichever is less.

1233 SECTION 12. Ordinance 14122, Section 6, as amended, and K.C.C. 4.04.280 are
1234 each hereby amended to read as follows:

1235 A. This section establishes procedures required for flexible response budgeting
1236 provisions applicable to the wastewater CIP beginning in 2002 but shall not apply to
1237 high-risk projects under section 2 of this ordinance. Except as specifically provided in
1238 this section, budgeting for the wastewater CIP shall be in accordance with other
1239 applicable county law.

1240 B. To allow reprogramming flexibility needed to respond in a timely manner to
1241 events beyond the control of the wastewater treatment division that result in temporary

1242 postponement or acceleration of wastewater CIP projects allocated in the current budget
1243 year, and notwithstanding any other provision of county law, current-year budget
1244 authorization for the wastewater CIP shall be appropriated at the total CIP fund level
1245 rather than CIP project level. Wastewater CIP project budget allocation substitutions
1246 may take place during the budget year among the projects specifically adopted in the
1247 current six-year wastewater CIP together with carryover projects from previously adopted
1248 plans in accordance with the procedures in this section without the need for the enactment
1249 of amendatory appropriations ordinances; provided, however, that allocation substitutions
1250 for wastewater asset management projects may be done only between projects within
1251 wastewater asset management project categories, and not between projects in different
1252 wastewater asset management project categories.

1253 C.1. Implementation of the wastewater CIP shall be in accordance with the
1254 project funding priorities and project funding levels identified in the annual wastewater
1255 six-year CIP as adopted by the county council. Beginning in 2002, on or before April 15
1256 of each year, the wastewater treatment division shall prepare and submit to the council a
1257 wastewater CIP reallocation report. The report shall provide a status report on
1258 implementation of all wastewater CIP projects contained in the current adopted six-year
1259 wastewater CIP together with those projects carried forward from previous adopted six-
1260 year wastewater CIPs, and shall include:

- 1261 a. an explanation of significant changes to scope, schedule and impact on work
1262 plan and budget since last budget approval;
- 1263 b. identification of revisions to milestones and budget for the current year;
- 1264 c. a proposal for revisions to scope, budget and schedule for next six months;

1265 d. a reallocated wastewater six-year CIP including a revised financial plan, all
1266 changes to projects, estimated costs, schedules, and scopes of work to be pursued for the
1267 current year, and programmed in the remaining years of the six-year program;

1268 e. a justification for each project postponement or acceleration and
1269 substitution;

1270 f. an accounting summary of the current project status and the amount of
1271 unexpended project budget balance by project phase and revenue for each project in the
1272 current year of the program;

1273 g. the original project cost estimate;

1274 h. the revised project cost estimate that is being used as the basis for the
1275 current year fund appropriation and six-year CIP; and

1276 i. identification of which projects will be ready for implementation in the
1277 current budget year within the constraints of the total current year fund appropriation.

1278 2. For any current project in the adopted program that is not ready for
1279 implementation for reasons beyond the control of the wastewater treatment division or if
1280 a project needs to be accelerated, the report shall identify for substitution or
1281 postponement one or more projects of comparable budget allocation value from within
1282 the current adopted six-year wastewater CIP. If the budget allocation for any project to
1283 be postponed or accelerated exceeds the budget allocation of the proposed substituted or
1284 postponed project or projects, the difference shall be allocated to or from the wastewater
1285 CIP contingency appropriation. Any project that is identified for postponement shall be
1286 reallocated to the year in the six-year program from which the project that is identified

1287 for substitution was originally programmed. If no suitable CIP project exists to receive
1288 the reallocated funds, the funds shall remain allocated to the original CIP project.

1289 D. The reallocation report shall be accompanied by a letter of transmittal to the
1290 chair of the budget and fiscal management committee or designee, or its successor
1291 committee, and the chair of the utilities and technology committee, or its successor
1292 committee, and copies of the report and letter shall also be transmitted to each
1293 councilmember, and the lead staff for the budget and fiscal management committee and
1294 for the utilities and technology committee. Any councilmember who objects to specific
1295 project deferrals or advancements proposed in the reallocation report shall notify the
1296 chair of the budget and fiscal management committee, or its successor committee, within
1297 fourteen days of receipt by the chair of the reallocation report. The councilmember must
1298 specify the project deferrals or advancements to which the member objects. Within thirty
1299 days of receipt of the reallocation report by the chair of the budget and fiscal
1300 management committee, or its successor committee, the chair will consider the objections
1301 raised and notify the executive in writing which project reallocations may go forward.
1302 The reallocation report takes effect upon receipt by the executive of the chair's written
1303 notice. If a written notice is not provided by the chair, the reallocation report takes effect
1304 on the thirty-first day following receipt of the reallocation report by the chair.

1305 E. Any new project proposed for allocation in the current year that is not included
1306 in the current or previously adopted wastewater six-year CIP, or any newly proposed
1307 project cost or project scope to be added to a project adopted as part of the wastewater
1308 six-year CIP that cannot be accommodated by transfers of contingency funds, may be
1309 added to the wastewater CIP after going through the normal appropriation process.

1310 Transfers of contingency funds that are required after the wastewater CIP reprogramming
1311 report is transmitted to the council shall be reported by the department of natural
1312 resources to the chair of the budget and fiscal management committee, or its successor
1313 committee, and the chair of the utilities and technology committee, or its successor
1314 committee, with copies to lead staff for the budget and fiscal management committee and
1315 for the utilities and technology committee. Transfers from contingency funds in excess
1316 of fifteen percent of the total project cost shall be contingent upon written approval by the
1317 chair of the budget and fiscal management committee, or its successor committee.

1318 F. A wastewater CIP contingency project shall be allocated in the current year
1319 fund appropriation to provide contingent budget authority to be used according to the
1320 requirements established in this chapter. Effective January 1, 2002, the wastewater CIP
1321 contingency project amount shall be seven and one-half percent of the current year
1322 capital expenditures included in the financial plan of the current year adopted sewer rate,
1323 but shall not exceed ten million dollars.

1324 G. On or before August 1, 2001, the wastewater treatment division shall prepare
1325 and submit to the chair of the budget and fiscal management committee and the chair of
1326 the utilities and technology committee a 2001 CIP appropriations report.

1327 1. The report shall provide a status report on implementation of all wastewater
1328 CIP projects contained in the current adopted six-year wastewater CIP together with
1329 those projects carried forward from previous adopted six-year wastewater CIPs, and shall
1330 include:

1331 a. an explanation of significant changes to scope, schedule and impact on work
1332 plan and budget since last budget approval;

- 1333 b. identification of revisions to milestones and budget for the current year;
- 1334 c. a proposal for revisions to scope, budget and schedule for next six months;
- 1335 d. a reallocated wastewater six-year CIP including all changes to projects,
- 1336 estimated costs, schedules, and scopes of work to be pursued for the current year, and
- 1337 programmed in the remaining years of the six-year program;
- 1338 e. a justification for each project postponement or acceleration and
- 1339 substitution;
- 1340 f. a revised financial plan;
- 1341 g. an accounting summary of the current project status and the amount of
- 1342 unexpended project budget balance by project phase and revenue for each project in the
- 1343 current year of the program; and
- 1344 h. identification of which projects will be ready for implementation in the
- 1345 current budget year within the constraints of the total current year fund appropriation; and
- 1346 2. The report shall also include the department's proposal for defining project
- 1347 categories in the 2002 budget, including the list of categories to be funded under the
- 1348 wastewater asset management appropriations beginning in 2002.

1349 SECTION 13. Ordinance 14921, Section 6, and K.C.C. 4.06.040 are each hereby

1350 amended to read as follows:

1351 The group shall explore and discuss issues surrounding major capital projects and

1352 major real estate asset management matters. The group shall provide a forum for early

1353 policy level dialogue, discussion and input to ensure timely and informed council

1354 decisions. The group shall:

1355 A. Review and discuss policy matters regarding major capital projects;

1356 B. Review and discuss policy matters regarding major real estate asset

1357 management;

1358 C. Provide early policy input regarding potential budget initiatives in major

1359 capital projects and major real estate matters;

1360 D. Provide early policy input regarding long-term strategic real estate asset

1361 management and capital improvement project goals;

1362 E. Discuss significant real estate policy issues related to major capital projects;

1363 ((and))

1364 F. Assist coordination of capital project and real estate management matters

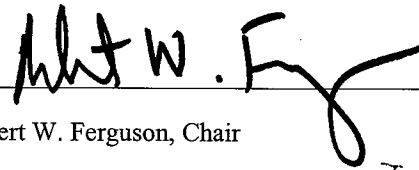
1365 involving independent elected officials in King County government; and

1366 G. Participate in the process for designating high-risk capital projects as required
1367 by section 2 of this ordinance.

Ordinance 16764 was introduced on 8/31/2009 and passed as amended by the Metropolitan King County Council on 3/1/2010, by the following vote:

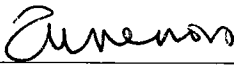
Yes: 9 - Ms. Drago, Mr. Phillips, Mr. von Reichbauer, Mr. Gossett,
Ms. Hague, Ms. Patterson, Ms. Lambert, Mr. Ferguson and Mr. Dunn
No: 0
Excused: 0

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



Robert W. Ferguson, Chair

ATTEST:



Anne Noris, Clerk of the Council

APPROVED this 10th day of March, 2010.



Dow Constantine, County Executive

Attachments: None

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KING COUNTY CLERK
KING COUNTY COUNCIL