



# KING COUNTY AUDITOR'S OFFICE

APRIL 1, 2022

## Follow-up on Puget Sound Emergency Radio Network

### **Construction of all 57 radio towers of the Puget Sound Emergency Regional Network (PSERN)**

**project is substantially complete.** Since our last follow up in April 2021, PSERN completed construction work on the seven remaining towers. Work remains on the project, including Motorola (MSI) equipment installation at five sites, in-building coverage testing, and radio deployment. Highways I-90, SR 410, and US 2 coverage testing will begin in summer 2022, after MSI completes equipment installation at the two sites which are currently inaccessible due to snow. The project team began distributing radios to users in January 2022 and expects to complete this process by December 2022. The newly established non-profit organization, PSERN Operator, would then take over and operate the system following full system acceptance (FSA) in March 2023.

**PSERN has adjusted the project budget forecast monthly.** With the completion of the final tower, the total project cost has increased to \$293 million from the \$288 million budgeted in April 2021, but remains below the projected levy amount. PSERN's Joint Board, which governs the project, currently plans to transfer any excess levy funds remaining after FSA to the PSERN Operator, however, they have not made a final decision.

**The PSERN project has implemented all 12 oversight recommendations.** In our last follow-up reports in May 2018 and April 2021, we determined PSERN fully implemented 11 recommendations in previous follow-ups. Therefore, the table on the next page provides a status update on the last remaining recommendation.

Of the 12 audit recommendations:

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

Please see details below for implementation status of each recommendation.

Recommendation 1	On April 1, 2019	DONE	✓
Recommendation 2	On April 1, 2019	DONE	✓
Recommendation 3	On April 1, 2021	DONE	✓
Recommendation 4	On May 8, 2018	DONE	✓
Recommendation 5	On May 8, 2018	DONE	✓
Recommendation 6	On April 1, 2021	DONE	✓
Recommendation 7	On May 8, 2018	DONE	✓
Recommendation 8	On May 8, 2018	DONE	✓
Recommendation 9	On April 1, 2021	DONE	✓
Recommendation 10	On April 1, 2021	DONE	✓
Recommendation 11	On April 1, 2021	DONE	✓
Recommendation 12		DONE	✓

**PSERN should revise its project budget after all tower site construction is substantially complete and ready for Motorola equipment installation.**

STATUS UPDATE: PSERN achieved substantial completion on the last of 57 tower sites in January 2022. Motorola expects to complete equipment installation and optimization at all sites by summer 2022, when several high elevation towers along I-90, US 2, and SR-410 are accessible after snow melts. The PSERN project team does not expect this delay to impact FSA, currently planned for early 2023.

With the substantial completion of the final site, PSERN staff have updated the project budget to bring total expected project costs to \$293.3 million, which includes \$1 million in contingency funding. While the costs have increased since our last follow up, projected levy revenue has also increased to \$302.3 million. Therefore, despite the \$5.3 million growth in project costs, the projected available fund balance at the end of the project is only \$1.2 million less than \$10.4 million presented by PSERN in February 2021.

While some risks remain on the project, they are unlikely to require funding above the projected levy revenue. The primary risk remaining is delays in FSA if the distribution and installation of radios is slower than planned. PSERN project leadership has stated potential causes of delays could include COVID-19 outbreaks among deployment staffers, delays in partner agencies delivering vehicles for radio installation, or supply chain disruption of radio delivery. PSERN staff estimate the cost of an FSA delay at \$350,000–\$400,000 per month.

IMPACT: By updating the project budget, the PSERN project has reduced uncertainty around project costs and provided policy-makers confidence that the project will not require additional funding above the levy revenue.

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