



KING COUNTY AUDITOR'S OFFICE

AUGUST 2, 2021





Follow-Up on Performance Audit of the Georgetown Combined Sewer Overflow Project

The Wastewater Treatment Division has improved its cost-estimating practices, resulting in greater certainty for cost estimates for combined sewer overflow projects. The Wastewater Treatment Division (WTD) has implemented the final recommendation from our 2014 performance audit of the Georgetown Combined Sewer Overflow Project. Through implementation of the audit's recommendations, WTD improved the transparency of cost information to agency management and County Council, the accuracy of project cost estimates, and controls over cost increases.

Since our 2014 audit, WTD has increased the precision of the project cost estimates used to select preferred project alternatives. At the time of our audit, WTD was selecting its preferred alternative for sewer overflow projects using planning-level cost estimates with a range of uncertainty of -50 percent to +100 percent, meaning that actual costs over the course of the project could be less than half or more than double the estimate. This level of uncertainty created the risk of substantial cost growth and the possibility that the preferred alternative may not be the most cost-effective option. WTD is now conducting detailed alternatives analysis during project pre-design, and cost estimates used in selecting preferred alternatives have a narrower range of uncertainty, between -30 percent and +50 percent. In addition, WTD reports implementing several other cost-estimating and cost-management process improvements intended to achieve greater levels of cost estimate certainty throughout each phase of a project's life cycle.

WTD has implemented seven of the audit's eight recommendations. We determined WTD fully implemented six recommendations (1–5 and 8) in our previous follow ups, in 2016 and 2017. Additionally, we closed recommendation 6 in 2016 because the window for implementing the recommendation had passed. Therefore, the table on the next page provides a status update on recommendation 7.

Of the eight audit recommendations:

	7 DONE		0 PROGRESS		0 OPEN		1 CLOSED
Fully implemented Auditor will no longer monitor.		Partially implemented Auditor will continue to monitor.		Remain unresolved Auditor will continue to monitor.		No longer applicable Auditor will no longer monitor.	

Please see next page for details on the implementation status of this final recommendation.




King County

Recommendation 1	On February 24, 2016	DONE	
Recommendation 2	On December 20, 2017	DONE	
Recommendation 3	On December 20, 2017	DONE	
Recommendation 4	On December 20, 2017	DONE	
Recommendation 5	On February 24, 2016	DONE	
Recommendation 6	On February 24, 2016	CLOSED	
Recommendation 7		DONE	

The Wastewater Treatment Division should revisit the alternatives selected for the other eight combined sewer overflow (CSO) control projects in the 2012 CSO Control Plan and, for each project, should develop one or more alternatives to a sufficient level of cost certainty before selecting which alternative to construct.

STATUS UPDATE: WTD reports that it reevaluated all CSO projects as part of its 2018 Long-Term Control Plan Update, excluding those projects that were already in design or construction. The assessment of projects during the Long-Term Control Plan Update effort was conducted to ensure the best alternatives progress to formal alternatives assessment. WTD reports that it also improved its alternatives analysis processes so that alternatives analysis occurs during the pre-design phase when cost estimates have been developed to a greater degree of certainty. Under WTD's updated processes, the cost estimates used when selecting a preferred alternative are Class 4 estimates with a range of uncertainty of between -30 percent and +50 percent. In addition, WTD reports implementing several other cost-estimating and cost-management process improvements intended to achieve greater levels of cost estimate certainty throughout each phase of a project's lifecycle.

IMPACT: Improvements to WTD's cost-estimation and alternatives analysis processes reduce uncertainty around project costs and increase the likelihood of selecting a cost-effective alternative.

Recommendation 8	On February 24, 2016	DONE	
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Cindy Drake conducted this review. If you have any questions, or would like more information, please contact the King County Auditor's Office at KCAO@KingCounty.gov or 206-477-1033.